THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXIII Member of Audit Bureau of Circulations ★ PUBLICATION OFFICE: TORONTO, SEPTEMBER 2, 1939 ★ 10c a Copy; $5.00 a Year No. 35

The Nation's Business

The Democracies Have the Resources

If catastrophic death and destruction are set loose in Europe, Germany will hold the immediate advantage.

For years her people and resources have been turned with frightening and ruthless efficiency to preparation for war. Every scientific and material artifice the nation could muster has been used for creating a war machine capable of destroying human life and property at an instant's notice.

Only with slow reluctance have democratic countries aroused themselves to meet this threat. Until recently even Britain and France treated arms preparation as a secondary matter; their primary concern was the making of "butter," not "guns."

In the great democracies of the American continent we still, on the very abyss of crisis, go quietly about our exhibitions, our 1940 motor car production and our everyday business, content to leave war preparation largely in the "blueprint" stage.

* * *

With the outbreak of war all that will be changed. Democratic resources will rapidly be conscripted to meet the aggressor.

In aggregate, our manpower and raw materials are far in excess of anything the totalitarian states can command. They are resources which for the most part are untapped. This is in sharp contrast to the taut efficiency of Germany, a country already past the peak of her military and economic strength.

It is the democracies that have abundance of gold, metals, agricultural wealth, textiles and other human and material resources requisite to victory. We hope and pray we need not use these for the destruction of life and property.

But if aggressors force the issue, the democratic job—our big job—is to conscript our strength quickly enough to vanquish the well-oiled totalitarian juggernaut.

* * *

Canada's Opportunity For National Greatness

In Canada, swift but unwilling preparation is being made for war.

If necessary the utmost co-operation and enthusiasm will be demanded and given. Political expediency and petty advantage should immediately disappear in a united effort toward a common goal.

If war is avoided, what then?

After the crisis of last September, Great Britain learned her lesson. She showed Canada the way to national greatness. She realized that whether the issue was war or peace she must work harder, fight harder and exact greater personal service from her citizens if she was to hold her place in the world.

* * *

Canada must do likewise.

Despite Berchtesgaden and Godesberg, this country has yet done little or nothing to achieve—deliberately—a larger measure of national self-discipline.

Political leadership has proved sadly lacking in courage and imagination. There has been an almost complete failure to enlist the rank and file of Canadians in enthusiastic self-sacrifice for the common weal.

It should not be necessary for war to occur in order that Canada should find her way toward this larger measure of national greatness.

War would teach us the lesson. Of that there is no doubt. But the lesson would be learned at excruciating cost.

* * *

If war is avoided what will happen to unemployment, the railway problem, our constitutional impasse, profligate public spending?

Will we drift along with customary indifference?

Will we think because there is peace there is no need of individual self-sacrifice or community effort toward solution of national ills?

Canadians can just as easily be aroused to meet their difficulties in time of peace as in time of war. The peacetime way may demand a different type of leadership. It may require a little more political courage.

But it can be done.

* * *

Russia Shows Her Hand

The critical events of recent days should not blind us to the far-reaching implications of the much-touted Russo-German "non-aggression" pact.

Existence of this pact suggests confirmation of two things:

1. That Russia's alliance with Germany is an ill-concealed attempt to weaken the countries of Europe for the ultimate glory of Bolshevism.

2. That Naziism and Fascism are essentially the same political instrument.

True, Britain herself was dickering with Russia even at the time this scrap of paper with Germany was signed. But Britain has at no time put any great stock in Russian pledges or in her ability or willingness to give aid to the democratic cause.

In high British circles it is believed that the recent I.R.A. outrages were financed by Russia—not Germany.

It was Russian propaganda which fomented early discontent in Germany and Italy and more recently

(Continued on page 2, col. 3)

Cabinet Rushes Canadian Plan Of Aid in War

Vast Programme of Co-ordination and Control Drafted

COVERS ALL PHASES

From Our Own Correspondent

OTTAWA.—Behind a veil of official secrecy, the King Government has been straining every nerve to prepare this country for war.

Practically no information regarding the activities of the Government has hitherto been made public. Three definite acts have been announced—the appeals to Poland, Germany and Italy; the calling of militia to guard vital communications and buildings; the taking over of control of merchant shipping. These, however, have been minor points in a Government programme crowded with events of the first magnitude.

It scarcely needs to be said that the Government is unanimous for participation in war if war should come. There is not one member of the cabinet who dissents from this view.

Parliament to Decide

But the Government policy of leaving the actual decision to Parliament will be strictly followed. The Government has worked continuously within the limits of this policy. Even the War Measures Act, still living, will not be availed of in important particulars without the approval of Parliament.

It is now plain, however, that the calling of Parliament will not delay Canada's active war effort in behalf of the Empire by a moment. While leaving the actual decision to Parliament, the Government, confident of what the decision will be, is driving forward with plans which will be ready for Parliament when it meets.

Committees Working

To this end, the cabinet has appointed out about one dozen subcommittees, each in charge of the appropriate minister and each including in its personnel the heads of the civil service most competent to be of value to it. There are subcommittees on finance, banking and kindred matters; on censorship, on industry, on shipping, on land and air transportation; on public relations in general, on food stuffs and war supplies other than munitions. There are enough subcommittees to deal with every conceivable phase of Canada's war activity.

These subcommittees have been meeting almost constantly. In each case, the officials have had to go back into the records of the Great War and report on exactly the policies pursued by the Borden governments. The wartime policies in many cases are out of date and require complete revision. In other cases, there is no wartime precedent to follow.

War Programme

The purpose in this activity is to prepare a gigantic war programme which, almost overnight, will convert Canada's economy from a peace to a war footing. The aim is to have the full programme ready for submission to Parliament the moment the fateful decision for war is taken. In this way not a moment will be lost, and the delay involved in leaving the decision to Parliament will not rob this country of a featherweight of striking power.

Control of credit, of money and stock markets and of foreign exchange, regulations requiring registration of foreign-owned securities, will be applied at once. The control body will either be the Bank of Canada or a Government board manned largely from the Bank. This much is certain, although the allocation of the bank's personnel to this work is not yet decided upon.

The objective will be to control these activities not arbitrarily and officiously from Ottawa, but through the control board to enlist the co-operation of the governing agencies now in existence. Stock exchanges, the banks and so forth will not require any persuasion to put everything they have got into the common effort. This board, like the others, will be more of a steering committee than a punitive body.

Transport Control

Precisely the same procedure is being followed with respect to transportation. In effect, if not in reality, war control will produce in substantial measure the unification which has been so widely debated. Again the control will work by the co-operation of the transportation com-

(Continued on page 2, col. 2)

Highlights

Canadian business, for several weeks under shadow of war, has given a good account of itself through the summer. The Financial Post's regional business indices show gains for July in four out of the five economic areas, with the other holding steady.

Summer Business—p. 7.

* * *

Gold mining continues to write a bright page in the Canadian industrial and economic record. Ontario's gold output during the first half of the year reached $53 millions, an increase of 10.5% over the same period of 1938.

Ontario Gold—p. 12.

* * *

Suicide deaths have never brought refusal to pay ordinary life insurance claims in Canada. But steps to legalize and clarify insurance companies' position in this regard were taken at the recent convention of provincial insurance superintendents.

Superintendents Draft—p. 10.

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General Index on p. 2.

Canada's Defense Crisis

Mr. King Should Act at Once to Give Public Confidence in Management of National Defense in Peace or War

The tragedy of the mismanagement of Canada's defense has not been lessened by the critical events of these days. As the international barometer falls the urgency of Canada's defense crisis becomes even more important.

The unhappy truths are:

1. Incompetence, political favoritism and dilatoriness have ruled in the expenditure of Canada's defense millions.
2. Canada this week was brought face to face with war, with the administration of our national defense under the very minister who has bungled it so badly.

Some facts were brought out in last week's issue of The Financial Post . . . That while the Minister of National Defense was declaring that deliveries of planes from Canadian factories to his department were totalling "eight or ten a month" actual deliveries were not more than that for the whole six months to June 30 . . . That while Mr. Mackenzie is on record that Canada's need is for 312 service planes, the actual strength of the R.C.A.F. on April 1 last was 14 modern service type planes.

* * *

In a few quarters (the Montreal Gazette, for example) the opinion has been expressed that the present is not an opportune time to "advertise the weakness of this country's defense and to represent that weakness as the entire responsibility of the Minister of National Defense."

It is an absurdity to suppose for one minute that our defense weakness needs to be advertised to totalitarian aggressors. The people who are in greatest ignorance of the truth about how our defense millions have been spent are the people of Canada. No intelligence service of any enemy nation would be fooled for one moment by honeyed words and loud bravado. Yet under cover of such rhetoric Canada's defense preparations have been handicapped by an appalling lack of efficiency as to administration; by the unbusinesslike expenditure of the funds voted by Parliament with a minimum result for the money so far expended.

* * *

Nor does the blame rest only on departmental shoulders. Under our system of government the Prime Minister himself is responsible for the actions of his ministers. It is the Prime Minister himself who must ultimately accept the responsibility for Canada's defense shortcomings.

Prime Minister King deserves credit for certain steps already taken to eliminate some of the glaring weaknesses of a department which will bear a major share of responsibility in the event of war. Appointment of the Defense Purchasing Board, which takes control of purchasing out of the Department of Defense and vests it in the hands of the Department of Finance, is an important and constructive step in the right direction.

But purchasing is only a small part of the whole broad question of defense.

* * *

What is essential (and what is rendered even more imperative with every sign of deterioration in the European crisis) is that the whole administration of defense matters should be placed at once under competent direction and management.

History—even Canadian history—is replete with evidence of the grief and wastage which develops when emergency situations are used as an excuse to gloss over obvious weaknesses. Sooner or later that weakness must be uncovered. The longer it remains disguised the more critical the danger (especially in time of war) becomes.

* * *

There will be no comfort to the King's enemies if the Canadian Government and the Canadian people face frankly and courageously at this time the whole vital question of defense administration. On the contrary it will give comfort to Herr Hitler if existing incompetence is allowed to continue.

So long as Mr. King refuses to face the facts of departmental incompetence, so long will the Canadian people have reason to worry about their security. Facts of this incompetence should be well known to the Prime Minister. Some of these were published by The Financial Post last week. Others will be published subsequently. All point to one conclusion—the need for placing Canadian defense matters under competent administration.

Now is the time to act.

French Aircraft Order Report Again Revived

"News" to National Steel Car, Said to be in Deal

MAGOR BACK SOON

From Our Own Correspondent

MONTREAL.—Reports that National Steel Car might sign a contract this week with the French Government for 144 airplanes lacks official confirmation. Company officials say it is all "news" to them. Another report that the Canadian Government has placed an order with the company for an additional 21 Lysander planes is similarly classed.

At present National Steel Car has on its books an order from the Canadian Government for 28 Westland Lysander military aircraft. In his report to the shareholders dated Aug. 26, R. J. Magor, president, said: "The work on the first order for the Canadian Government is well advanced and is up to the company's obligations in respect of time."

National Steel Car also is participating in the British Government aircraft contract through Canadian Associated Aircraft. The company has subscribed for $166,666 of capital in the latter and also has increased its manufacturing facilities at Malton in order to take care of the additional business.

Talk of French Order

Talk of a possible French Government order has been going the rounds since last July. Then it was said that negotiations were going on for placement of a contract for 140 bombing planes having a value of $14 millions.

It was also reported at the time that a representative of a French aircraft production group had been in Canada for some weeks discussing with Canadian manufacturers the possibility of placing such an order.

That being the case it is likely that National Steel Car was approached but it is not possible to obtain official confirmation as to whether or not negotiations were instituted. R. J. Magor president, has spent most of his time for some months past on the other side. It is possible that he has been in touch with the French authorities, but until his return about the middle of September, no official word is available.

Quebec Obtains Loan from Bank

The Quebec Government has made temporary arrangements with private banking interests to meet $10 millions of 3% bonds, maturing Sept. 1. The issue was sold in 1934 and is payable in Quebec, Montreal and Toronto.

Because of the unfavorable condition of the bond market at present it was deemed inadvisable to undertake any permanent financing, and the present arrangement was made.

Control in War Over Industry May Be Varied

Different Degrees of Government Direction Thought Possible

IMPORTANT ROLE

Regardless of whether Government direction in time of war took the form of close control or complete taking over under Government operation, the participation of Canadian industry in possible hostilities abroad would be important, varied and extensive. For this, industrial managements have already made preliminary preparations.

Industry as a whole, particularly manufacturing industry, has hitherto been left uncertain as to just how far Government control would go in event of war. Chief certainties appear to be that some sort of control and direction will be applied immediately on outbreak of war, and that it will be considerably closer and more embracing than in the last war in which Canada took part.

A prevalent impression is that the degree of control or expropriation will vary considerably in proportion to the importance of each plant or industry to Canadian war operations, and particularly to the meeting of British requirements for munitions and supplies. For some industries, it is suggested, a form of supervision and co-ordination will suffice. For others, it is thought, more rigid regulation and direct Government control may be necessary to ensure volume, speed and continuity of essential supplies.

Government Operation

The prospect of the Government taking over and operating especially essential industries, such as railways, foodstuff producers, and other basic units of supply, is regarded as possible if not probable. Some industrial executives are already prepared for such a move as inevitable, and in some respects would welcome it. It would obviate, for instance, repetition of the charges of profiteering thrown repeatedly and indiscriminately during the last war, despite evidence to show that industry as a whole achieved a record of exceptional service without undue profit, and in some cases lost money.

Less welcome, of course, would be the handing back of plants after the war in a disorganized and rundown condition.

So far, information emanating from Ottawa as to Government plans for war operations has been largely general and skeletonized, indicating chiefly that the authorities have definite plans to mobilize both military and civil resources on a comprehensive scale. In any event, detailed application of the plans would have to be worked out as war progressed.

Arms Purchasing

Considerable adjustment would likely be necessary, for example, in regard to the operations of the Defense Purchasing Board. Indications to date are that from the viewpoint of both the Government and manufacturers, considerable change in the authority and prescribed methods of the board would have to be made if it were to operate with sufficient rapidity and on a broad enough scale to meet war requirements. This applies not only to the complaint-provoking 5% limit on non-tender contracts, but generally to the procedure and curb on authority with which the board now has to grapple.

While many things are done in wartime without too much regard for the statutes and the Government can do much by taking on emergency powers, the statute under which the board now operates would, strictly speaking, require Parliamentary action to be changed. It would also require Parliamentary measures, The Financial Post is advised, if the board were to function as a channel for British orders for Canadian munitions and other war supplies.

Precedent of 1914

Generally speaking, industries producing munitions, airplanes and other war equipment during the last war were well satisfied with the operations of the Imperial Munitions Board. This was largely traceable to their confidence in that board's chairman, the late Sir Joseph Flavelle. Should the present Defense

(Continued on page 2, col. 5)

Acadia Sugar Sale is Voted

Identity of Anglo-Dutch Group Still Kept Secret

From Our Own Correspondent

MONTREAL.—Shareholders of Acadia Sugar Refining Co. have ratified a proposal to sell the concern to the newly formed Anglo-Dutch Refining Co. for $3 millions.

Contrary to expectations no information was given to the meeting regarding the interests behind Anglo-Dutch. Unconfirmed reports are that the offer is being made by the same Toronto-Montreal interests who acquired control of Atlantic Sugar Refineries a few years ago.

The offer from Anglo-Dutch calls for payment of $1.5 million in cash and a like amount in 15-year debentures bearing 6% interest. Shareholders will be offered the right to take up these debentures at par to the extent of their present holdings.

The offer was made subject to right of the purchaser to withdraw if Great Britain or Canada should become involved in war.

If War Comes . . .

In this issue The Financial Post surveys the position of Canadian business, industry and finance if Canada suddenly finds itself drawn into war. In addition to the accompanying summary article further individual coverage is provided as follows:

Base Metals:
Price Soar—p. 12.

Bonds:
May Support Bonds—p. 5.

Foreign Exchange:
Control Over Exchange—p. 2.

Government Action:
Cabinet Rushes—p. 1.
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Industry:
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Insurance:
Will Add War Clauses—p. 3.

Railway Problem:
War May Solve—p. 1.

Stocks:
Stock Market—p. 4.

Taxes:
War Would Lift Taxes—p. 5.

Wheat:
See Price Rise—p. 9.

War May Solve Rail Problem

Emergency Unification Might Lead to Permanent Set-up

From Our Own Correspondent

OTTAWA.—Railroads are essential in times of peace but their regular operation would become even more vital if this country were involved in a war. There would be an insistent demand for Canadian wheat from overseas that could not wait for opening of navigation. There would be the urgent necessity to transport the multitude of war materials, both those required for Canada's own armed forces and for those of our allies.

Railroad securities in Canada mean only those of the Canadian Pacific. The Canadian National being ranked with other direct obligations of the Dominion. At the time of the last war C. P. R. stock was a speculative and investment favorite in Canada and overseas. The large amounts of this stock, selling around $190 a share in July, 1914, which were dumped on the Canadian market at the outbreak of the war in 1914 contributed substantially to the collapse of stock prices 25 years ago.

This is not likely to occur again. C. P. R. stock is hovering around its all-time low price and speculative interest in it is small.

Traffic Increase

It is freely granted that the actual outbreak of a war in which this country was participating would mean a sharp gain in railroad traffic. Whether or not the present set-up would be allowed to continue unchanged, however, may be questioned. The Government, with a vital stake in the rapid and economical movement of freight, might easily extend its control over the two Canadian railroads. One suggestion is that the Railroad War Board might be revived.

Great Britain commandeered the

(Continued on page 2, col. 1)

D.F.S. Pushes New Mill Plan

Equipment Being Made and Building to Start Soon

With contracts already made for main equipment units, construction of the building for Dominion Foundries & Steel Ltd. new temper mill, Hamilton, Ont., will likely be launched within the next four to six weeks. Estimated cost of the project is $500,000, of which about $400,000 will go for equipment and rest for building and structural units.

Engineers and architects are already working on plans for the building, which will be an extension of the present strip and tinplate mill units of the D.F.S. plant. Tenders will likely be called within the next few weeks for erection of the structure, which will be of modern industrial design.

Contract for construction of the skin-pass rolling mill and auxiliary equipment has been given to Dominion Engineering Works, Montreal. Electrical equipment is being supplied by Canadian Westinghouse Co. and Canadian General Electric Co.

Chief advantage of the new temper mill will be considerable improvement in quality of the already high-rated products of the company, particularly in regard to cold rolled strip and material for tin plating. Company officials say also that a greater range of products will be made possible by the new unit. In addition, tempering and related operations now done by hand on single pieces, will be done automatically by machinery capable of handling large lengths of strip as rapidly as 1,500-1,800 feet a minute.

Canada Empire Arsenal If Britain Goes to War

See Dominion Chief Source of Industrial Credit and Food Supply—Rigid Government Control Is Believed Inevitable

Whether or not Canada will be confronted with actual war at this critical juncture The Financial Post does not attempt to forecast. But Canadian business and industry must face such a possibility. To help appraise the drastic realignment necessary The Financial Post has prepared the special surveys in this issue. The chief articles are indexed in the adjoining column.

If diplomacy fails and war breaks out, what will happen to Canadian business?

Already the Dominion Government is making preparations to stand behind Great Britain, preparations that will have sweeping repercussions on Canadian credit, Canadian finance and Canadian industry.

Equipment, Not Men

In the last war Canada contributed half a million men to fight in the allied cause, but competent observers see little likelihood of such aid being repeated on the same scale. The next war, they point out, is going to be far different from its 1914 predecessor. Armies no longer march; they ride.

Armed forces have been mechanized. Fewer fighters in the line will be required, many more artisans behind. It will take many times the factory capacity of the Great War to keep the guns firing and the planes flying in the next outbreak. Canada's principal contribution in the next war, it is believed, will be in materials, technicians, trained aircraft pilots and credits or other financial rather than infantry manpower.

To provide the sinews of war there is expected to follow immediately any declaration of hostilities a mobilization call on Canadian industry. In the Great War, Canadian manufacturing, Canadian raw materials, and Canadian foodstuffs contributed a major part to the allied victory. In the next war, if there is to be one, this contribution is expected to assume vital proportions.

Control of Industry

It is freely predicted that instead of waiting this time for voluntary organization of industry steps will be taken immediately to organize vital manufacturing groups for full-time and continuous production. Key industries, such as those supplying meats, canned goods, textiles, leather, munitions and airplanes may find themselves under government control for the duration of the war. Others, which in peace time supply luxury or semi-luxury goods, may be compelled to switch to army and naval equipment lines. Strict control of profit margins is certain.

When the Great War broke out in 1914, Canada's exports of munitions were nil. Before the guns ceased fire in France Canadian factories were pouring out a vast volume of all kinds of war equipment. A gigantic industry was built up and its operations co-ordinated by the Imperial Munitions Board.

On this foundation of experience, plus British trial orders in the last two years, our contribution in the next war will be erected. There will be much less delay in training manufacturers and labor, and within a few months or even weeks, it is anticipated, a growing volume of exports could be started.

Undoubtedly the experience of the last war, when a government board assumed direct control of railroads, will be repeated. Many observers predict compulsory co-operation and pooling of all equipment would certainly follow. This might result in permanent unification.

While the government would assume more substantial control of key industries it will also furnish special protection for those industries against sabotage and probably also against labor disturbances. Guarding of bridges, canals, water supply and other utility plants was instituted as soon as the crisis developed this fall.

Production of Raw Materials

Canada will become a chief source of overseas supply for the British armies, and probably for the French armies as well.

Production of vital raw materials from Canadian farms, mines and forests would undoubtedly be stimulated. Again official control is anticipated, first to speed up production throughout the continuance of any war and finally to spiral that production down again to reduced post-war demand.

No matter what difficulties may be encountered in marketing Canada's wheat surplus in times of peace, all such difficulties would immediately vanish if war broke out. Canadian wheat fields would be the most accessible to Great Britain in time of a European war.

Some control of marketing but not necessarily the closing of grain exchanges, is anticipated. Indications are that farmers would expect, from either open or closed markets, prices substantially higher than the present fixed minimums.

Financing and Credit

Financing of this huge supply of materials will be a gigantic task. An enormous increase in Canadian exports of war materials and foodstuffs will ensure the strength of the Canadian dollar in relation to sterling. Canada may well emerge from the conflict a creditor nation so far as Europe is concerned, although to maintain increased exports across the Atlantic and to keep Canadian manufacturing plants in full production there may be further borrowing from United States. Keeping foreign exchange functioning smoothly, throughout the period of war as well as certain adjustment period that must follow, may tax the resources of the Bank of Canada, the chartered banks and other financial institutions.

Britain is expected to mobilize her Canadian securities and use them—plus credits extended by the Canadian Government—to pay for her purchases in Canada.

Trading in Securities

Some control of stock and bond markets is considered certain. Whether the experience of 1914 will be repeated, with exchanges closed for months and pegging of prices, seems to be doubtful. Most authorities believe that prompt steps will be taken to avert panic and to maintain some support for Government bonds.

Preparations are already well under way for such steps but are not expected to be announced until after a declaration of war. Indications are that stock exchanges and bond markets will be controlled in co-operation with competent authorities in these fields, rather than closed or subjected to arbitrary regulation.

Taxes Will Rise

Two developments are seen as inevitable, heavy increases in taxes, sharp gains in many commodity prices. A third, considered likely, but not so certain is inflation.

To finance any new outbreak an immediate resort to higher levies is expected on incomes, company profits, luxury and semi-luxury products, and all business transactions. There would be some compensation in the almost certain elimination of such present drains on the national treasury as relief, railways and wheat subsidy bills.

Further seeds of such a growth are also seen in the certain climb of commodity prices. A composite chart of the latter throughout the last three centuries is a chart of world emotions.

Peak in prices invariably synchronizes with wars. Prices of wheat, rubber, cotton, copper, wool, lead, nickel, pork move up with the armies, collapse just as quickly as final enemy resistance.

With the rise, living costs also rise and with them wages, salaries and interest rates.

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Cabinet Rushes Canadian Plan

(Continued from page 1)

panies, which will be fully represented on the board.

In the matter of censorship the Government will accept the nominee of the newspapers and, again, the fullest co-operation is being given in gearing this country to war.

With respect to munitions, the existing Defense Purchasing Board provides the nucleus for a war purchasing body similar to the one in operation in the Great War.

Co-ordinated With London

It is the intention that all these subcommittees or boards, as they will later become, will tie in with their opposite numbers in Britain, thus assuring complete co-operation in war and the maximum of efficiency.

In the field of trade, export licenses will be imposed immediately upon all materials of war value so that essential war supplies will be conserved.

Political Unanimity

Politically speaking, the Government is finding the work of preparing for war less nerve-racking than was expected. Politically speaking, there is complete unanimity in the country. Nowhere in responsible quarters has a single voice been raised against Canadian participation.

Fears that Quebec would be difficult to handle, that a cry for isolation would arise, have so far proved to be groundless. Careful enquiry in Quebec circles shows that French Canada is fully aware that Canada is going into the war and is ready to co-operate, always provided that conscription is not applied. It is a curious fact that the only unexpected happenings in Quebec have been the declarations of loyalty and the unqualified offers of service which have been received from outstanding French Canadians, like Hon. Sam Gobeil.

There is some reason to believe that Quebec opinion is moving rather rapidly toward the majority opinion in the country and that one major reason for the change is the pact between the Soviet Union and Germany. The coming together of the atheistic country and the country that persecutes the church, and the impending destruction of one of the most devoutly Catholic states in Europe, is having an effect upon French Canadians.

War May Solve Rail Problem

(Continued from page 1)

railway systems of that country on Aug. 5, 1914, and with the co-operation of the railway officials, operated them as a single unit throughout the whole course of the conflict. Necessity for unified railway operation was recognized in Canada later.

Railway War Board

On Oct. 23, 1917, the Railway Association for National Defense was formed to co-ordinate and operate the Canadian roads for the duration of the war.

The Railway Association for National Defense was reorganized as the Canadian Railway War Board in 1918 and after the war was continued as the Railway Association of Canada. It did such duties as routing trains by shortest routes without regard to the individual lines, allocating rolling stock and other matters.

Might Lead to Unification

Another idea widely held at present is that war emergencies might lead to a permanent solution of the Canadian railway problem. It is suggested that the Government, through war necessity, may be forced to take over the operation of the roads. This forced unification as a war measure might lead to a peacetime solution, whether willing or not, through difficulty in unscrambling the situation later on.

Sir Edward Beatty, president of the C. P. R., has said that his road was working in co-operation with the department of national defense, and that a system to prevent sabotage had been set up. He admitted a possibility that war might bring about a unification of the Canadian roads.

During the last war the shops of the Canadian railroads turned out vast quantities of shells and other war materials. It is expected that in the event of another similar emergency both the C. N. R. and the C. P. R. would make use of their shops to manufacture munitions.

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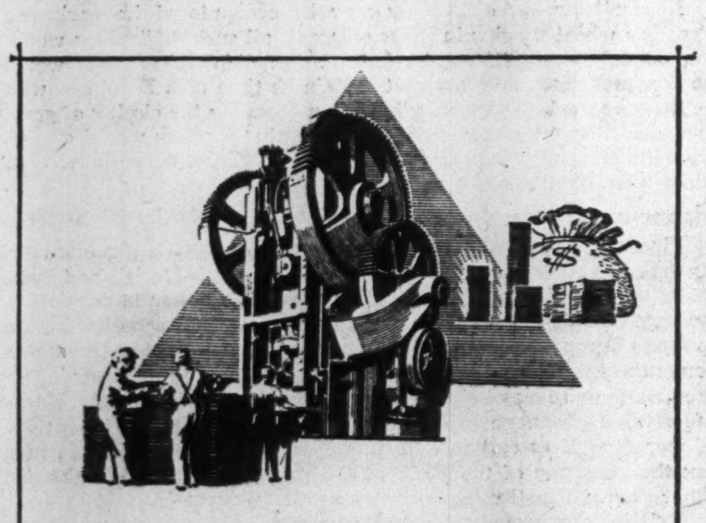

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The Nation's Business

(Continued from page 1)

in Spain, precipitating the Fascist, Nazi and Franco revolutions.

Communist effort will now seemingly be turned toward the East in the hope that by locking her western door she may more quickly witness the self-destruction of western civilization.

• • •

FOR years astute observers of Naziism and Fascism have regarded the supposedly bitter war between these ideologies as little more than a fake. There has never been more than a theoretical difference between the two.

Under Fascism, private ownership of property is supposed to be protected by the State. Under Communism it is supposed to be destroyed. The difference is more apparent than real.

In Germany, for example, the businessman is controlled by the State in every simple transaction he undertakes. The wages he pays, the raw material he purchases, his products, the price he charges, the profit he makes are all controlled by dictatorship. He is no more free to manage his property according to his own desires than the kulak in Russia is to run his farm as experience has taught him to run it.

• • •

NAZIISM and Communism are essentially the same political instrument. The methods are the same. Only the catchwords and slogans are different.

Take any speech of Stalin's and change the symbolic nouns and you have a speech of Hitler's. Take any Communistic parade and change the sickle and hammer to a Swastika; change the black eagles to silver eagles and you have a Nazi parade.

The real struggle in the world today is between freedom and unfreedom; between dictatorship and democracy. The Russo-German pact has made us see this more clearly.

Furthermore, Russia has confirmed the belief that the ultimate desire of the "devious Oriental mind in the Kremlin" is that western Europe destroy itself in order that the bloody tide of Communism may engulf the flotsam and jetsam that remain.

Control Over Exchange During War is Planned

From Our Own Correspondent

OTTAWA. —"Immediate control of money markets and foreign exchange, as well as the registration of the foreign investments of Canadians, will follow directly after the outbreak of war.

A sub-committee of cabinet, including the officials of the finance department and the Bank of Canada, is now busy on details of war finances. This subcommittee would be converted into a commission, or perhaps the functions to be discharged would be added to the duties of the Bank of Canada. The committee is closely in touch with the Bank of England, and the financial policy to be followed during the war would be worked out in co-operation with Britain.

Need of Control Shown

A sharp break in the British pound this week to $4.20 at Toronto dragged down the currencies of the other Empire countries that are linked with it, and gave some inkling of the task confronting those controlling foreign exchange in war. The Canadian dollar at the same time fell to a discount of about 3% under that of the United States.

The result for a time was chaos in the foreign exchange markets badly handicapping external business as exporters and importers were unable to get any definite quotation on exchange. As Canada's external trade would be greatly increased in event of war the need of appointing a commission to handle exchange matters is obvious.

Dollar or Sterling Link

What Canadian businessmen are wondering is: Will those in control put the Canadian dollar down in line with the pound or will they allow it to remain close to the United States currency?

Immediate likely consequences of a lower pound are a rise in the prices of commodities in the United Kingdom, a decline in countries the currencies of which do not depreciate, and nullification in some measure of the effect of the Anglo-United States trade treaty which was negotiated on a much higher pound value.

Effect on Producers

If the Canadian dollar does not drop to a corresponding extent with the pound unfavorable effects for our primary producers are probable.

Among the exports to the Empire countries which with Scandinavia and Egypt have formed the sterling bloc, agricultural products are the biggest single item. Base metals and their products come next and animal products third. If sterling goes much below our dollar the effect on these would be considerable. Experience has shown that when sterling declines, the price of wheat at Winnipeg usually declines. If other countries such as Australia and New Zealand allowed their currencies to fall with the pound and Canada did not it would obviously give them a great advantage in their sales of wheat, meats, metals and other products to Great Britain.

Exporters Position

Since the beginning of 1939 our exports to the United States have been increasing sharply. Ordinarily a discount on our currency in United States would be an advantage to our exporters. But the new trade treaty has a provision whereby any fall in exchange might be offset.

On the import side it is evident that if the Canadian dollar is not brought into line with the pound it will give British industrialists a great advantage in our markets unless the Government took measures to add difference in exchange to the cost of the goods as was done by the Bennett Government.

Borrowing in U. S.

Funds for the purchase of supplies on this side of the Atlantic would probably be arranged at the outset by the mobilization of British investments in Canada and the United States. As to borrowing in the United States the United Kingdom is still a debtor to that country and could not borrow under the Johnston Act. Canada would probably act as intermediary. One result of this might be that at the end of the war Canada would be a creditor nation as regards the United Kingdom.

The drop in sterling at the beginning of the week, precipitated by the withdrawal of support by the British Equalization Fund, was subsequently partially offset as the Fund again resumed control.

Canada too has an Exchange Fund created by the Exchange Fund Act of 1935. This fund amounts to about $60 millions to $70 millions, but has never been used as the Exchange Fund Act passed by Parliament has never been proclaimed.

Arms Mission Returns Spade Work Completed

Having paved the way for future organized supply of British arms requirements by Canadian industry, a number of members of the Canadian Manufacturers' Association mission which went to England a month ago are returning to Canada this week.

Several members of the mission remained in England, however, to continue the negotiations launched with British Government authorities. They sought to carry the results already achieved farther toward formulation of definite plans for producing British war equipment in Canada.

As far as can be learned, the mission succeeded in gaining a valuable insight into the future scope of British defense supply needs, ascertaining the British position as to sources of supply, and interesting British authorities in the possibility of meeting requirements from Canada on a general scale. While immediate war needs would bring mobilization of Canadian munitions production without delay, original objective of the mission was to inform British authorities of both actual and potential scope of Canadian industry's resources, and its willingness to use these to meet British war equipment needs.

Direct Survey

This objective was framed with a long-term viewpoint and in the hope of seeing a long-term policy and plan formulated, rather than with the idea of getting definite orders or even learning what types of equipment might be ordered from Canada now. Such an objective might conceivably involve firsthand investigation of Canadian plant resources, to follow up the comprehensive data along this line submitted by the mission in London.

In view of the critical situation in Europe at the time the main group of the mission left for Canada, it is uncertain if or when such a firsthand survey might be instituted.

Further results from the mission's visit and any further moves in this regard by the C.M.A., will probably depend to an important extent on outcome of consultations with Ottawa authorities, both by the C.M.A. and the British Government. Such assumption is justified by the fact that the mission was undertaken with Canadian Government encouragement, and that the mission roster included Canadian Government technical advisers and defense experts.

Mission Divides

One of these experts was Col. Noel Carr, director of mechanization and artillery, Dominion Department of National Defense. He is in the small group which remained in London after the departure of the main group arriving back in Canada this week. Others who remained included E. Holt Gurney, Gurney Foundry Co., Toronto; and Hugh Dalton, secretary of the B.C. division of the C.M.A.

Scheduled to arrive at Quebec at the end of the week aboard the Empress of Australia, are:

E. Winslow-Spragge, vice-president and managing director, Canadian Ingersoll Rand Co., Montreal.

H. G. Bertram, president, John Bertram & Sons Co., Dundas, Ont.

J. G. Morrow, chief inspector and metallurgist, Steel Co. of Canada, and chairman, Canadian Engineering Standards Association.

J. E. Goodison, president, John Goodison Thresher Co., Sarnia.

A. R. Goldie, director, Babcock, Wilcox and Goldie-McCulloch Ltd., Galt.

J. T. Stirrett, assistant general manager, C.M.A.

Maj.-Gen. A. G. McNaughton, president, National Research Council.

Victor M. Drury, president of the Canadian Car & Foundry Co., who was previously in England and joined the mission after its arrival, returned to Canada last week. In a press interview, he praised the work of the mission, but declared that Canada had "missed the boat" by not undertaking a similar effort about two years ago.

Other members of the mission have returned to Canada singly or have remained in England to attend to personal business interests.

War Finances In U.S. Offer Big Problems

Potential British-Canadian Credit Assets Surveyed at Ottawa

RIGID CONTROL PLAN

From Our Own Correspondent

OTTAWA. — Financing of war purchases within Canada in a new world war is regarded as relatively easy of achievement, compared with the problem of financing British buying in the United States.

So far as purchases within Canada are concerned, whether made by the Canadian or the British Government, stringent control of money markets will conserve capital for war use and the credit of the British or the Canadian Government would be limited only by the productive capacity of the country.

The real problem which faces the Ottawa committee handling such matters is that of purchasing essential materials in foreign countries. This means, in reality, purchases in the United States. It is already apparent that Canada must play a vital rôle in assisting the Motherland in financing U. S. purchases.

British War Assets

In 1914, at the outbreak of the war, Britain was able to mobilize over $5 billions in United States securities. Over $3 billions of U. S. railway securities alone were sold by Britain to investors in the United States.

British assets in the event of war now would be in gold, in saleable securities, and credit. The last named is incalculable. Today Britain's gold reserves run to about $3 billions, whereas in 1914 the total was about $875 millions. Substantial quantities of this gold have been moved to New York and to Ottawa as a precautionary measure.

Overseas Investments

Britain's overseas investments are now valued at about $16 billions. Of this about one half is in non-government securities. Taking this $8 billions of non-government investment, slightly more than half is invested in the Empire and the balance in foreign countries.

But it is not thought that much of this investment, except that in Canada and the U. S., can be mobilized for general service. Britain will require credit chiefly in the United States and the common belief is that British-held securities in foreign countries, even in Dominions like Australia, New Zealand, Rhodesia and so on, could not readily be sold on the New York market.

British holdings of United States securities are placed at $1.3 billion, much less than one half of the 1914 total. Of this, $678 millions is a direct investment which probably could not be liquidated and, therefore, would not be of use in war time. Another $455 millions is said to be in high grade securities which can easily be sold, thus augmenting Britain's war chest. The balance comprises stocks and bonds whose value is regarded as doubtful.

Canada's U. S. Assets

The value of Canadian investments in the United States is placed at $1 billion and most of it is regarded as marketable.

The foregoing figures deal with the position last year. It is known that British investment has increased considerably in the intervening period of time. The estimate is $500 millions. Canadian investments in the U. S. have also increased, it is stated, by about $50 millions.

The total realizable assets of Britain in the United States, where the money would be needed, is placed, therefore, at $1.8 billion, of which about $1 billion would be saleable and therefore available to purchase sinews of war. The next figure in the calculation is the billion-dollar Canadian investment which undoubtedly will be sold, if necessary, to assist the Motherland.

This would give Britain, gold reserve included, about half the war-chest in the U. S. that she possessed in 1914. The idea here is that if this did not prove sufficient, Britain would proceed to sell on the New York market or to United States investors any other securities possessed which commanded a good market there. The best bet in this regard undoubtedly is Britain's holdings of Canadian securities. These securities, it is believed, will be readily saleable in the U. S. and Britain holds something like $2.2 billions of Canadian securities.

Control in War May Be Varied

(Continued from page 1)

Purchasing Board be molded into a body similar to the Imperial Munitions Board, and operating on a similar basis, present indications are that industrialists would expect to operate with equal confidence and co-ordinated efficiency.

It is anticipated that financing of war purchases in Canada would be similar to that prevailing in 1914-18. Then the Canadian Government periodically replenished the cash account of the Imperial Munitions Board and made later settlements with the British Government. The heavy gold reserves Britain reputedly has accumulated in Canada would be used, it is conjectured, more for purchases in the United States than in Canada.

As far as the possible bar on United States purchases by the Neutrality Act south of the line, informed industrial opinion in Canada anticipates no serious difficulty for Britain in getting supplies from American sources. Little likelihood is foreseen that utilization of American resources will have to take the form of establishment of new plants in Canada by United States capital, or the device of shipping raw or semi-finished materials into Canada for final processing.

As far as the capacity of Canadian industry to meet British munitions and war equipment needs is concerned, British authorities have only recently been provided with exhaustive data on this subject. Detailed reports are understood to have been submitted in London by the mission sent overseas by the Canadian Manufacturers' Association.

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Committee Heads Chosen For Institute Convention

Chairmen of the various committees of the Manitoba branch of the Canadian Institute of Mining and Metallurgy, to be host to the Institute's convention to be held in the Royal Alexandra Hotel in Winnipeg, March 11 to 13, 1940, have been announced.

They are as follows:

Hon. J. S. McDiarmid, honorary chairman; F. D. Shepherd, chairman; G. M. Hutt, secretary; F. J. Manning, treasurer; J. Dryborough, finance committee chairman; H. R. Drummond-Hay, reception committee chairman; T. Marshall, luncheon committee chairman; F. V. Siebert, Banquet committee chairman and excursion committee chairman; J. S. Morrey, service committee chairman; J. P. de Wet, publicity committee chairman.

Municipal Finances

Ridgetown, Ont., council has given second reading to a by-law to provide $80,000 by debentures for a new high school.

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Windsor, Ont, has received permission from the Ontario Municipal Board to provide $54,000 for the purchase of the Walker Airport site.

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Victoria, B.C., has collected over 50% of current tax levy one and a half months before taxes actually fall due. The figure is slightly more than 1% above the proportionate collections at the same date last year. On a 1939 levy of $1,546,525, $773,919 was received to Aug. 14.

Canadian Industry Changed By Last War

The years from 1913 to 1918 were years of growth in Canadian industry. It is true that there were some exceptions. Construction contracts awarded is an outstanding example where the effect of the war was to bring operations almost to a standstill.

Actual comparison is made more difficult by the incomplete statistics available for pre-war years. The Dominion Bureau of Statistics made its first annual census of Canadian manufacturing for the year 1917. Previous figures are, therefore, not strictly comparable in some cases.

Illustrative of the changes made by war demands, however, are shown the growth in iron and steel products value from $120.4 millions in 1915 to $400.4 millions in 1917 and $443.5 millions in 1918. In 1936 gross value of iron and its products produced in Canada was $453.4 millions.

The chemical industry is another good example of wartime growth. This industry produced commodities valued at $45.4 millions in 1915 as compared with $173.6 millions in 1918. Figures for 1936 show a gross production of $126.9 millions, well under 1918 figures.

Four years' campaign for higher food production resulted in a gain in estimated area under farm crops from 33.4 million acres in 1914 to 51.4 million acres in 1918, a rise of 53.8%.

Canada's exports of munitions and materials grew remarkably during the war years. 1914 shows exports of only $28,164; by 1915 this had grown to $57.2 millions and to $296.5 millions in 1916. Peak year was 1917 with $388.2 millions, while 1918 showed a drop to $260.7 millions.

Some typical wartime statistics follow which will illustrate the changes in the Canadian economy during the 1913 to 1918 period.

War Time Changes
(Units of thousands)

		1913	1918
Wheat flour exports	(bbls.)	4,478	9,931
	($)	19,971	95,896
Wheat acreage	(acres)	11,015	17,354
Wheat price	($)	0.67	2.02
Pig iron prod.	(tons)	1,129	1,196
	($)	16,540	33,495
Construction contracts	($)	384,157	99,842
Newsprint exports to U. S.	(tons)	219	596
Copper production	(lb.)	76,976	118,769
	($)	11,753	29,251
Lead production	(lb.)	37,663	51,398
	($)	1,755	4,754
Nickel production	(lb.)	49,677	92,507
	($)	14,903	37,003
Gold production	(oz.)	785	699
	($)	16,216	14,464
Total Government revenues	($)	168,689	260,778
Total Government expenditures	($)	112,059	576,660
National debt (net)	($)	314,301	1,191,884
Railway traffic (steam)	($)	256,702	330,220
Savings deposits	($)	626,199	966,341
Current loans	($)	891,489	982,822
Pound Sterling in Canadian dollars		4.86 2/3	4.76
U. S. dollar in terms of Canadian dollar		1.00	1.017
Cost of living index no. of family budget		100	146.3*

*1919—159.3
1920—183.7

Montreal Stocks Pay Larger August Dividends

From Our Own Correspondent

MONTREAL.—Dividend payments declared on stocks listed on the Montreal Stock Exchange and Montreal Curb Market totalled $4,639,616 for August. This represents an increase of $120,296 beyond the 1938 total.

For the first eight months of this year payments totalled $145.032.138, as against $156,885,452 in the corresponding period of last year.

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in the September issue
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Industrial Migration Office Abroad Urged

Urge Canadian Agency to Handle Prospective Immigrants

Setting up a Canadian agency abroad for direct contact with the many European industrialists and businessmen seeking a haven such as Canada for their operations, is advocated by George Bartha, himself a former industrial operator in central Europe who migrated to Canada a year ago.

Mr. Bartha strongly believes decisive action by both Government and business groups should be taken, to speed up movement to Canada of the industrial capital and ability-seeking refuge from dictator rule and war risks in Europe. The experience, skill, and demonstrated ability of such potential migrants to capture export markets, would be valuable assets to Canada, he is convinced, in addition to creating an inflow of new capital and employment-giving enterprise in the Dominion.

Appearing recently before the Simcoe (Ont.) Rotary Club, Mr. Bartha was identified as having spent a number of years in the clothing industry in Budapest, Hungary, and having come to Canada a year ago to seek his future here. He is now a tobacco grower in Norfolk County, Ontario. He was introduced as a graduate of the University of Geneva and University of Frankfort, and having intimate knowledge of industrial conditions in southeastern Europe.

In addressing the club, Mr. Bartha noted that recent weeks had seen a movement to speed up and improve the present method of bringing in industrial migrants from Europe. He referred particularly to "a powerful article in The Financial Post from a leading Canadian personality," presumably having in mind the interview in a recent issue of The Post in which Sir Edward Beatty, president of the Canadian Pacific Railway Co., urged steps to bring industrial migrants to Canada.

Canada Left At Post

Mr. Bartha warned that Australia, New Zealand and other parts of the Empire had taken steps to draw industrial migrants to their shores, and had already benefitted considerably from their initiative. Australia, he reported, had an influx of capital in 1938 of $60 millions, mostly taken in by German business immigrants.

Following is text of the principal portions of his address:

"The first necessity of development in the economic sense is peace. Europe lost its peace when the totalitarian idea came into power in several countries.

"The future of industries and business was made hopeless in Europe and new horizons were hunted. Several of the powers of the Empire immediately looked over this situation, sent their representatives to Europe and hand-picked the best people.

Market Conquerors

"The businessmen of central Europe are men of the world. They conquered the world market for their goods, they know several languages, they know all the tricks of export trade, they know what the world needs, because their own experience and hard building-up time taught them what and how to do. They all want to leave central Europe and most of them have already left it.

"To every industry established elsewhere in the Empire, ten industrial plants are established in England. But there are still more waiting in central Europe or already prepared in Paris or other democratic countries as refugees in a search for a new home, for a new territory for their business. Canada needs them, Canada has to get them, Canada has to select the best of them.

Wrong Yardstick

"Under the present circumstances, if an application comes to the immigration branch, they discuss it in their own prescribed way, and as I and other observers noticed it, the import of capital is the most important factor in getting favorable consideration for immigration.

"A man with $50,000 or $100,000 in his pocket, stating that he wants to come to Canada and look around where to invest it, has more chance to emigrate to Canada than the experienced businessman who has only $10,000 capital but who has a world market in his hands.

"I know a man who had one, but only one, license for manufacturing a product. He had a world market for that article and he was a German. He had millions. The German Nazis expelled him, took away everything from him. He went with very little money, to England and started with four workers, a small plant in Sheffield. After one year he had 400 men working for his factory and he shipped from Sheffield, his goods all over the world.

Capital Not All-Important

"So that the amount of capital should not be the important factor, if selection is made for immigration. His business, his export trade, his industry, that should be the first and basic factor of larger industrial immigration. I know that it is not so easy to check up those things from here, and going by the amount of capital is much easier, but it has to be done if we want to have the right people.

"Australia has its hand-picking agents in Europe; Canada should have them too. Two or three men who know the situation in Europe who are acquainted with the business world in Europe, should be appointed and they should check up the applications and send reports to the Government. And these reports should be considered first and then the amount of imported capital.

Selecting Industries

"Another thing which I suggest is, that in selecting the various industries from Europe, the different boards of trade, the municipalities and chambers of commerce in Canada should have a word to say, too. They should send in applications to the Government and state what kind of an industry is wanted in their district, what kind of buildings are empty and could be used as a factory for a newcomer from Europe.

"Canada colonizes and brings hand-picked farmers from Europe. Canada should colonize for the benefit of different districts and for the benefit of all Canada, industries too. This is the prospective way of immigration.

Made in Canada

"If you go to a shop or department store in Canada you will be surprised how many articles are imported, mostly small things, but good sellers, all produced in central Europe. All manufacturers who ship their goods from central Europe to Canada and the Empire are ready to transplant their factories to Canada and make their products with Canadian workers.

"What a wonderful thing it would be if, in the stores of the Empire, the marks of 'Made in Czecho-Slovakia, Austria, Hungary, Germany,' would perish, and all the goods bearing this label would have a much prouder, a much more familiar label, 'Made in Canada.'"

Atticus' Column Copy is Delayed

Owing to the disturbed situation in Europe and the delay or cancellation of many steamship sailings, copy for The Financial Post weekly feature, "London Calling," failed to arrive in time for publication in this week's issue. It is expected, however, that next week's issue will contain commentary on British and foreign affairs from Atticus II, pinch-hitting during the holiday of Atticus, The Post's famous London columnist.

ARMOUR OF LIGHT

Recently we were searching for a phrase to describe the brilliant appearance and remarkable protective qualities of "Cellophane" cellulose film. "I fear I do not know any such terms," said a friend (who has taught Greek for 40 years). "But wait—I believe the phrase you are seeking was coined nearly 2,000 years ago. In fact," he continued triumphantly, "I defy you to find a more apt description of 'Cellophane' than this," and he quoted those fine old words—"An armour of light".

The more we have thought of this expression the more convinced we are that our academic friend found the right phrase. Like armour, "Cellophane" guards and protects products from dust, germs and the curious hands of the public. Like light itself, "Cellophane" may be seen through and its shining transparency is bright and clear—indeed an "armour of light" when employed as a packaging medium.

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Mortgage Plan Moves Nearer To Completion

Officials of Bank Continue Work Despite War Clouds

MAKE TEST VALUES

From Our Own Correspondent

OTTAWA.—With one eye on Europe and the blackening clouds of war, officials of the Central Mortgage Bank are driving ahead preparations to bring the bank into operation. They are aware that war will profoundly modify the mortgage as well as every other business in the country, particularly changing the farm debt situation. It has been suggested but not confirmed that war might suspend the bank's operations entirely.

Much of the preliminary work has been done and the representatives of the lending institutions were in Ottawa for a two-day conference last week, not so much to discuss the way in which the bank is shaping up as to listen to the account of the work which has been done. Ottawa officials did the talking and the representatives of the institutions listened. They were not asked to express any decision, nor to commit themselves with respect to membership.

Institutions Cautious

The chief officials of the bank declared after the conference that the institutions were chary of comment and there is still considerable interest as to whether they approve of the course being charted for the bank. It is thought that they were none too enthusiastic, although, as stated, the time has not yet arrived for asking them to decide if they will join. The presumption, of course, is that they will.

The various terms used in the statute have been defined and test valuations are under way which, it is believed, will give the institutions a fair idea of the amount of the write-downs which will be necessary to reduce debt to 80% of the fair value of property.

Test Valuations

It is evident that there is some controversy among Ottawa officials with respect to these valuations. There is one group known as the soil value group and another which places more reliance upon individuals. The first group would be satisfied to fix a general valuation upon districts, according to soils. The second think that wide divergencies within these districts must be recognized. The first group argues that their method would make for speedy limbering of the bank while the second would involve long-drawn-out valuation proceedings.

D. B. Mansur, the superintendent of the bank, will discuss this and other administrative points with interested parties in the near future, beginning in western Canada.

Moratoria Legislation

At the same time, the preparatory work has now reached the point where the bank is able to talk to the provinces with respect to moratoria legislation. The Bracken and Patterson Governments of Manitoba and Saskatchewan, it is learned, are ready to summon their legislatures to deal with their moratoria laws in keeping with the requirements of the bank. Donald Gordon, deputy governor, is to visit these and other provincial governments at once to make plain to them the kind of legislation the bank will require.

Will Add War Clauses To New Life Policies

If war comes, Canadian life insurance companies are practically certain to insert war clauses in all new policies.

One type of clause which might be inserted provides that the insured, if he engage in war service, must pay an extra premium. Another provides that while no extra premium is charged, if the insured engages in war service, the company will only pay a percentage of the face value of the policy, if death should occur due to war service.

Owing to developments in the science of warfare certain changes from the general policy pursued by the companies in the last war are probable. Increased range of aircraft, and greater power of guns and explosives, it is believed, will make civilians in exposed areas almost as bad risks as soldiers. Certainly this will be the case in the United Kingdom and even in parts of Canada. Accordingly war clauses may be incorporated in policies issued to non-combatants as well.

British companies are understood to have been delaying action until war actually breaks out. In some cases it has been mentioned that an extra premium of $100 per annum may be charged for every $1,000 insurance.

For months past, life insurance salesmen have been using the possibility of war as a sales argument. For the sailor or soldier, some of them have been advocating term policies which would carry the insured through the period of hostilities, and could be converted at the end of that time into an ordinary policy. It is understood that the extra premium would apply to new term policies the same as others.

Meanwhile old policies will be continued according to their conditions. Most of them contain no restriction as to war service. Some of them, however, written soon after the last war, do.

At the outbreak of the last war few policies had war clauses in them. Where they did, they were waived in many instances by the company which issued them. But when death claims came in, in larger volume it became the practice to insert certain special conditions in all new policies. These in most cases provide for an extra premium. Some of these in the later months of the war were as high as $150 extra. A reduced payment on the policy was also one of the plans adopted. Later it was found that in some instances the extra premiums charged had been too high and refunds were made.

Life insurance companies generally are stated to be well prepared for all eventualities at home and abroad. Liabilities are well protected by assets, it is said, and the net position is stated to be a healthy one.

Relief Expenditures Grow In Ontario in Half Year

Reflecting less satisfactory employment conditions in the first half of the year, as compared with the same six months in 1938, unemployment relief expenditures in Ontario increased substantially during the period.

Based on the returns of 40 municipalities in the province, accounting for more than 85% of relief expenditures, gross expenditures during the six months period of 1939 increased 5.6%, but decreased 5.2% from the comparable period in 1937.

Of the five principal municipalities in Ontario, only one, Hamilton, showed any alarming increase in unemployment relief costs. This city's expenditures increased 40%. Three other municipalities, Ottawa, Windsor and York Township decreased expenses. Toronto showed an increase of only 0.3%.

Ottawa Leads

Ottawa had a reduction of 15.8% over the same period in the previous year, or a total decrease of $123,260. This city's relief expenditures have been severely curtailed since an overhaul was made of relief administration by the Ontario Municipal Department.

There were 11 of the 40 municipalities surveyed showing improvement in the six month period.

Conditions in northern Ontario and the head of the lakes were most unsatisfactory. Sturgeon Falls had 50.1% of its population receiving assistance at June 30, 1939. Rockland was next with 42.1%.

Expenditures in the 40 largest municipalities were down approximately $5,000 in June of the current year from the same month in 1939. Total number on relief in June increased to 174,238 from 169,175 in June of the preceding year There was 40,244 heads of families receiving relief in June of the present year, compared with 39,393 in June, 1938. In June there was a substantial improvement in relief conditions from May.

Following are figures showing Ontario relief expenditures:

Ontario Relief Expenditures
Six Months Ended June 30, 1939

	Total Expend. $	†Decrease %
Decreases:		
Ottawa	657,861	15.8
New Toronto	57,734	15.6
Sandwich E.	34,249	13.6
Sandwich W.	33,715	13.6
Windsor	667,858	11.1
Penetanguishene	35,082	6.8
St. Thomas	39,928	5.6
Guelph	82,528	4.6
Sturgeon Falls	88,225	4.4
Midland	72,892	2.6
York Twp.	689,733	.3
Increases:		†Increase %
York North	95,650	0.3
Toronto	3,873,045	0.8
Scarborough	194,408	1.8
York East	312,868	2.2
Long Branch	44,566	3.9
Etobicoke	93,300	4.6
Trenton	63,065	4.9
Brantford	243,211	5.2
Toronto Twp.	49,596	5.8
London	288,648	5.8
Mimico	55,291	7.4
Eastview	54,439	7.8
Stamford	80,598	8.1
Oshawa	152,711	8.6
Kitchener	93,600	8.8
St. Catharines	177,621	9.2
Stratford	80,366	14.0
Niagara Falls	169,670	14.1
Welland	54,916	14.4
Rockland	37,774	25.9
Kingston	79,894	26.5
Peterborough	84,327	27.5
Hawkesbury	80,197	32.9
Hamilton	934,260	40.0
North Bay	71,079	65.1
Port Arthur	152,054	70.2
Sault Ste. Marie	110,004	91.3
Fort William	120,692	105.2
Sudbury	96,099	114.0
	10,403,775	*5.6

*Increase.

†Compared with first six months of 1938.

Population on Relief

	June 1939 %	June 1938 %	†Inc.. or Decr. %
Sturgeon Falls	50.1	51.0	*8.9
Rockland	42.1	36.5	15.4
Hawkesbury	31.2	18.9	69.2
Midland	21.1	21.4	*1.7
Stamford	17.4	16.0	12.0
Sandwich West	16.8	19.4	*5.9
Penetanguishene	16.3	13.6	20.4
Eastview	16.1	13.7	17.4
Trenton	15.9	16.1	4.2
York Twp.	14.7	15.2	*2.5
Long Branch	14.6	20.3	*34.9
Niagara Falls	14.0	13.3	5.6
Scarborough	13.6	13.7	.7
York East	13.4	12.4	7.8
Mimico	12.8	12.0	8.3
New Toronto	12.3	16.6	*25.7
Oshawa	11.7	11.2	4.0
Brantford	11.5	11.1	4.2
Windsor	11.5	11.9	*2.4
North Bay	10.6	6.0	78.4
Toronto	10.1	10.4	*2.7
St. Catharines	10.0	9.6	6.6
Sandwich East	10.0	13.0	12.5
Hamilton	9.9	8.2	21.0
Port Arthur	9.3	5.0	88.4
Etobicoke	9.2	8.0	15.2
Welland	8.4	8.9	*4.7
York North	8.4	10.0	*12.1
Ottawa	8.1	8.5	*3.7
Sault Ste. Marie	7.5	4.3	76.9
Stratford	7.3	5.6	26.6
Toronto Twp.	7.0	5.0	25.8
Peterborough	6.7	7.0	*2.0
Guelph	6.5	6.7	*2.2
Kingston	6.4	4.7	32.7
London	5.8	5.9	*2.0
Fort William	5.7	3.9	45.9
Sudbury	4.7	2.1	120.5
Kitchener	4.7	5.0	*4.5
St. Thomas	3.2	4.8	*33.6
	10.0	9.7	3.0

*Decrease.

†In numbers of persons on relief June, 1939 from June, 1938.

Canada Logical Source Of Emergency War Supply

Canada is the logical source of emergency supplies for Great Britain in wartime, H. A. White, London, Eng., told The Financial Post. Mr. White is chairman and managing director of Marconi's Wireless Telegraph Co., Marconi International Marine Communications Co., and Marconi Sounding Device Co. In addition, he is director of many companies of the Cables and Wireless and Marconi groups.

He was in Canada for more than two weeks surveying the potentialities of Canadian Marconi Co. for the production of electrical equipment in case facilities of the English company are destroyed or impaired by air bombardment. The Canadian organization, while not possessed of enough patterns to supply the entire needs of the English organization can fulfill its requirements in part, and it is possible that a trial order may be forthcoming.

The average English industrialist confronted with establishing or contacting a source of supply for emergency use thinks of Canada first, Mr. White stated. Requisite of organizations on this side of the Atlantic eligible for emergency orders is first and foremost ability to supply immediately the needs of English manufacturing concerns. If the facilities do not exist in Canada, English officials must look elsewhere, and lacking capacity, Canadian concerns can do little to encourage placing of orders.

Many organizations in the vulnerable areas of the British Isles are in the same position as the Marconi Co. and are looking for an emergency source of supplies upon which to draw on the outbreak of war. Other organizations in remoter sections of the British Isles, or with plants created for emergency use, plan to carry on without supplies from abroad.

Restricted Profits

In the opinion of Mr. White dissension in Canada over armament orders has had little influence or acted as a deterrent in the placing of orders in Canada. Sole consideration of English manufacturing concerns is the ability of Canadian organizations to furnish required materials promptly and efficiently.

Warning that profits from government orders would be severely curtailed was forthcoming from Mr. White. In England, since inauguration of Britain's huge armament programme, government departments have closely inspected financial and operating results of organizations engaged in supply materials of all description.

The present critical turn of affairs has been anticipated in England for some time and the country is prepared for any eventualities, Mr. White declared.

Dominion Textile Co. Makes Executive Changes

From Our Own Correspondent

MONTREAL.—Following a meeting of the board, announcement was made of the appointment of G. Blair Gordon as president of Dominion Textile Co. He succeeds his father, Sir Charles, who was president of the company from its inception until his death recently. Mr. Gordon will also occupy the same position with Montreal Cottons Co.

Sir Herbert Holt has been elected chairman of the board of both companies. In addition W. G. E. Aird, general manager of Montreal Cottons, has been elected a director of that company, and A. F. Baillie, vice-president of Dominion Oilcloth & Linoleum Co., a director of Dominion Textile Co.

Amal. Electric New Stock Now Traded in Montreal

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announces that the old preferred and common shares of Amalgamated Electric Corp. have been taken from the list due to the fact that supplementary letters patent covering the issue of the new shares have now been granted. The new common stock of the corporation has been admitted to trading on an "if, as and when issued" basis.

The basis of exchange is four new common shares for each old preferred share, and one new common share for each five old common shares.

Obituaries

D. J. McDougald former head of investment firm of D. J. McDougald & Co., vice-president, Trusts and Guarantee Co., president Eastern and Western Land Co., president Pine Lake Lumber Co., director Canadian Breweries Co. and Cosgrave Dominion Brewery Ltd., chairman of the board of St. Michael's Hospital, formerly director Canadian National Railways and governor of the University of Toronto, aged 50, suddenly at Toronto.

F. J. Baigent, formerly manager plate glass department Ocean Accident and Guarantee Corporation, aged 65, at Toronto.

Andrew F. Macallum, former city engineer for Hamilton and Ottawa, at Toronto.

F. L. Fowke, former mayor of Oshawa and ex-M.P., aged 82, at Chester, N.S.

A. H. Ireland, executive of The T. Eaton Co. at Toronto.

Dominion-Provincial Report Ready Early in October

From Our Own Correspondent

OTTAWA.—The Sirois Royal Commission on Dominion-Provincial Relations, re-assembled at Ottawa this week to complete its report. The dead-line is now fixed for the last week in September so far as the commissioners are concerned. The Government should have the completed report early in October.

Contrary to the common report, the main work of the commission is finished. Between them and the completed report stands an enormous amount of detail but very little major work. The main decisions have been made; it remains to put these findings into language and to clean up the incredible number of tag ends which invariably stick out of every report of this kind at this stage.

Apple Growers May Lose Mart

War Would Seriously Affect Exports to Britain

From Our Own Correspondent

HALIFAX.—The shadow of war is haunting Annapolis Valley fruit growers, threatening them with grave losses in United Kingdom markets should hostilities break out. Last year the United Kingdom consumed the bulk of the 1.7 million barrels of apples exported from this province. If war breaks out shipping may become too valuable to permit export of a bulky, semi-luxury product, like apples.

All the Nova Scotian growers can do is wait and hope for the best. Meanwhile they are planning to ship their highest quality fruit to the United Kingdom and are paying special attention to shipments to prevent overcrowding.

A decided trend toward the marketing of processed apples is noticed and there are prospects that 350,000 cases may be marketed this year, compared with 240,000 last year.

Should the war scare pass it is expected that the fruit growers will enjoy a profitable year, it being anticipated that the apple crop will be one of the largest in history.

Aluminum Co. Trade On Much Broader Scale

From Our Own Correspondent

MONTREAL.—Aluminum Co. of Canada's business this year shows a substantial increase over 1938 judged by the trade return. This company accounts for practically all of Canada's export business. During July exports of aluminum in blocks was valued at $2,020,753, compared with just over $2 millions the previous month and $955,592 in July last year.

Purchases by Great Britain were valued at $1,298,185, by Japan $412,628 and Australia $99,552.

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Winnipeg Electric Co. Reports Gain in Earnings

From Our Own Correspondent

MONTREAL. — Further increase in operating revenues is reported by Winnipeg Electric Co. During July gross income totalled $494,892, a net income after operating expenses and taxes of $184,756. This contrasts with a gross of $481,196 and a net revenue of $176,872 for July last year.

For the first seven months of 1939 the company had a gross income of $4,014,669 and a net income, after operating expenses and taxes, of $1,715,153. For the corresponding period of last year gross revenue totalled $3,820,018 and net income $1,581,390.

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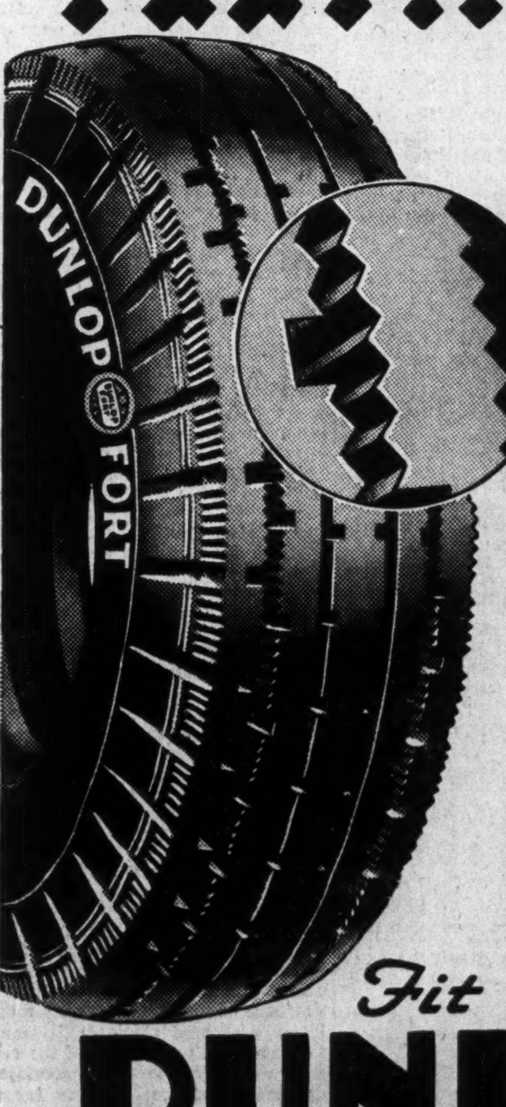

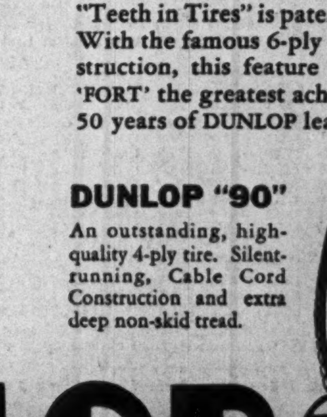

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Investment Trends

Stocks Move In Line With Odds For War

Crises Declines of Past Year Find Common Bottom From Which to Start Recovery—Investor Caution Clearly Justified

Stock markets throughout the world have continued to take their cue from progress of events in Europe. As varying chances for peace or war seem in the ascendancy, stocks move up or down. Until there is some more permanent solution of political controversies, investors can hardly expect stocks to be governed by such everyday but fundamental factors as earnings, dividends and business prospects.

We do not know whether or not the European controversies will result in the outbreak of actual hostilities. Day to day news does not permit one to minimize the seriousness of the situation. But it is still impossible to get rid of a belief that once again some means will be found of avoiding armed conflict. It is to be hoped that this time a peaceful solution, if attained, will be on a more lasting foundation than was the case almost a year ago at Munich.

* * *

A Year of Crises

The past year has seen five so-called war crises that have adversely affected stock markets, counting the current condition as one. In Sept., 1938, and Jan., April, June and August of 1939, investors have had their nerves tried and have seen previous stock market gains wiped out.

But there has been a remarkable similarity in at least one point, as is illustrated by the following tabulation:

Dominion Bureau of Statistics Investors' Index

	Sept. 1938	Jan. 1939	April 1939	June 1939	Aug. 1939
Decline in points	13.7	8.7	16.3	6.1	8.7
Resistance level	91.7	97.0	92.6	92.9	90.0

* * *

This calculation goes on the assumption, that may quite possibly be proved wrong by later events, that Aug. 24, which is the low to Aug. 29 for the latest scare, will mark the low point. This emphasizes the importance of the level between 90.0 and 97.0, as measured by the Dominion Bureau of Statistics investors' index of 95 common stocks. Previous war scare markets have met with stout enough resistance at from 90.0 to 92.9 on this index to halt the decline. Thus, short of actual war, this area should mark an important testing point. Failure to penetrate decisively, that is by more than one point, below the 90 level should logically lay the foundation for a good upward move. This is premised on a peaceful settlement of differences. What could happen if war actually breaks out is thoroughly discussed in other articles in this issue.

* * *

Business Factors

Not all of these war scares have met with the same conditions of business. In four out of the five instances mentioned, business was tending to move upward. Only in January was the trend downward, which may raise the question as to whether or not this was a true war crisis or rather a recognition of business prospects.

The latest decline is taking place in the face of promising general business conditions. This should be the foundation for a good recovery if war is averted.

* * *

Scepticism Justified

Investors can be pardoned, however, if they have become sceptical of so-called negotiated agreements. Munich was heralded as the beginning of an era of "peace in our time." It proved quite the reverse. The Fascist victory in Spain early this year gave rise to renewed apprehension which became acute in the final dismemberment of Czecho-Slovakia. The next disturbance came from the Far East and Danzig, and now we are back for more shocks from Europe.

Thus, caution is justified in accepting any agreement as final. So far there has been disturbingly little success in settling basic questions.

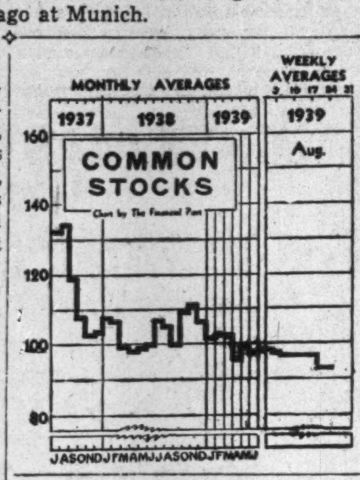
* * *

Today's Programme

Investors who do not want to follow the negative action of rushing to place their capital in as liquid a position as possible in the face of a possible outbreak of war seem to have more than one logical course before them.

In the first place it is possible to select a portfolio of strong, well-established stocks with a record of successful operation and to hold this group no matter what happens. This action would be premised on the likelihood that such companies would come through in better shape than most others. This investor would have to shut his eyes to wide fluctuations in market prices and would have to make careful selection in advance.

On the other hand, the investor who wants to ignore the likely rush for liquidity may decide to go after the perhaps larger profits but also greater risks that attend a programme of buying secondary stocks. These stocks may show greater percentage gains from war orders than their more seasoned and stronger neighbors, but they would be less subject to harm from profit limiting schemes because of their current lower level of operations.



Investment Notes

Dominion Tar — This company's subsidiary, Alexander Murray & Co., is supplying the roofing materials for the half million dollar housing project of Low Cost Homes, Ltd., in Toronto, it is announced. There are a number of other low-cost housing projects under way in the same area, assisted by the financing aid of the National Housing Act.

* * *

British American Oil—The company's U. S. subsidiary, British American Oil Producing Co., is reported to have brought in its second oil well in the South Mankins Caddo-Lime oil pool in Archer County, Texas, last week. The well flowed about 40 barrels hourly, with an estimated showing of 1 million cubic feet of gas daily, and has been shut in for initial acid treatment. This is one of the new oil pools discovered by B. A. Oil this year in North Texas.

* * *

Abitibi.—One man who has been closely connected with work on reorganizing this company, mentioned in discussing the Bradshaw-Ferguson-Scott suggestions that this was the 68th plan to rehabilitate Abitibi that he had studied. How many other plans have been worked on by others and never reached the stage of presentation, cannot even be guessed.

* * *

Loblaw Groceterias sales per unit exceed by a substantial margin any organization operating in the U.S., according to Canadian Grocer. In the U.S., Safeway leads with the biggest average sales per unit of $115,332. Loblaw units run more than $204,000.

* * *

George Weston Ltd. is negotiating for purchase of the bankrupt Associated Biscuit Co. plant in Salamanca, N.Y., it is officially stated. Price reported for purchase of the plant of $4,000, has not been confirmed by the company.

* * *

Power Corp.—The company's annual report for 1938-39 should make its appearance next week. At the half-year mark earnings were officially reported at about the same level as the year before. Returns for the full year should not show much change. The value of investments, on the other hand, is likely to show a decline in view of the depressed market.

* * *

Canada Steamship — Traffic appears to be on the increase. Passenger ships plying on the Lower St. Lawrence are understood to be well booked, while the grain traffic on the Great Lakes is steadily increasing. Moreover, the grain rate has stiffened considerably for September shipments.

* * *

Beauharnois — More than a little curiosity prevails regarding this stock, largely because of its market action. There has been a firm bid of 4 and all stock offered at that level has been taken up.

* * *

Imperial Tobacco—The record of this company is showing its value these days. When all other stocks are jumping up and down in value, Imperial Tobacco is currently selling within a fraction of its high for the year.

* * *

Consolidated Paper—Maintenance of a relatively heavy volume of trading in the stock of this company is not without interest. Who is buying and why is not known. Consequently there is much speculation as to why the stock should be one of the most active traders in Montreal.

* * *

Dominion Textile — The preferred stock of this company touched a new high this week at 161. This compares with the year's low of 153. The high coupon and reports of good business may be responsible.

* * *

S.E.C. summary of security transactions and holdings includes the following of Canadian interest:

Fanny Farmer Candy—J. F. Burke, officer, acquired 50 shares, holding 475. J. D. Hayes, officer, acquired 200 common shares, holding 1,000.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	53.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
July	118.0	12.7	75.0	154.0	59.8	182.1	124.8	129.5	59.2	85.0	42.7	97.3
Weekly Figures:												
Aug. 3 ..	118.1	12.9	74.7	155.9	61.9	183.3	126.3	129.7	59.6	85.1	42.9	98.6
Aug. 10 ..	116.4	12.5	76.7	154.6	61.4	183.2	124.8	127.7	59.0	85.3	42.5	97.5
Aug. 17 ..	115.4	12.1	77.5	154.1	60.9	184.1	122.6	125.7	58.8	85.3	42.0	97.1
Aug. 24 ..	105.1	10.2	75.8	144.7	58.9	179.5	114.1	117.1	55.9	84.8	40.2	92.2

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Aug. 29	105.50	113.26	85.66	24.33
Aug. 28	103.47	110.24	83.87	23.86
Aug. 26	104.41	112.64	84.36	24.18
Aug. 25	102.80	112.23	83.70	23.92
Aug. 24	99.20	107.39	81.71	23.63
Aug. 23	102.12	110.79	82.19	24.33
Month ago ..	113.65	122.31	90.18	29.21
Year ago	117.58	121.10	88.78	32.27
High, 1939 ..	125.92	128.95	101.27	45.00
Low, 1939 ...	99.20	107.39	80.75	23.39

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Aug. 29	62.9	67.3	65.8	59.22	104.19
Aug. 28	61.5	66.2	64.6	56.93	103.03
Aug. 26	62.5	67.5	65.8	57.96	103.15
Aug. 25	62.3	65.7	64.6	55.22	102.12
Aug. 24	61.7	63.2	62.7	50.78	98.45
Aug. 23	62.9	64.8	64.2	54.50	103.14
Month ago .	67.0	73.3	71.2	74.66	111.96
Year ago ..	65.6	80.1	75.2	117.84	125.77
High, 1939..	70.1	85.0	79.1	119.77	126.48
Low, 1939 ..	60.4	[illegible]	62.7	50.78	98.45

Stock Market Dislocation Would Follow Break in Europe

But War Babies Expected to Soar After First Shock

Judging from stock market actions in this and other countries on the eve of what may possibly become the most advertised war in history, a certain amount of the results of past wars may be duplicated. On every recurring war crisis stock prices have declined with more or less celerity. This strengthens the view that actual declaration of a war involving, or threatening to involve, Canada, Great Britain or the United States would be followed by an initial rush to turn securities into cash.

But steps have already been taken and preparations made for handling such an emergency. There have been months of warning unlike the experience of 1914.

Exchanges Stay Open

It is taken for granted that closing of the stock exchanges on this continent will be only a last resort. It is conceivable that the Government might declare a general moratorium for a short period to allow the initial adjustment to be made as painlessly as possible. Such a move would likely include stock exchanges. But left to themselves, the Toronto and Montreal exchanges are expected to make every effort to carry on.

Some control of prices, however, is anticipated. It is known that plans are ready to place in effect a system of flexible minimum prices to prevent unwarranted crumbling of values. Fixed prices were enforced when exchanges reopened after the start of the last war, but they were found ineffective. The lessons learned then will be used and provision made for adjusting fixed minimum prices on the exchanges closely in line with values established by negotiated sales off the exchanges.

Britain Bans Trading

In Britain the unofficial ban in trading in dollar securities, in force for some weeks and studied in a recent article in The Financial Post, has been enlarged. Official announcement has been made of two major regulations as follows:

1. Any action by private holders of foreign securities which would place these securities beyond the control of the London authorities is prohibited.
2. Registration of all foreign securities with the Bank of England is made compulsory.

The securities involved are specified as those in which interest, dividends or principal are payable in the currencies of Argentina, Belgium, Canada, France, Holland and the Dutch Indies, Norway, Sweden, Switzerland and the United States. As in previous unofficial bans, Canadian securities are the only Empire securities to be included. This is apparently because of the desire to protect the exchange rate of the pound sterling. It is, in effect, a move to protect sterling against the Canadian dollar.

Prevents British Liquidation

To the Canadian investor the above action means that markets in this country will not have to absorb heavy liquidation from London holders of Canadian securities. Rather it is apparent that any liquidation that comes will be orderly and under the direction of British authorities in co-operation with those in Canada and the United States. In this the situation varies in an important respect from that prevailing in 1914-18. The collapse of Canadian markets in 1914 was made much worse by European liquidation of international issues, particularly C.P.R. and Brazilian Traction, neither of which are likely to figure in the situation to the same extent as at that time. On the other hand, leading Canadian interlisted stocks today, such as International Nickel, Hudson Bay Mining, Ford of Canada, Aluminium Ltd., Bell Telephone, Consolidated Mining & Smelting and others, can easily provide some of the leading performers in the event of a war.

Might Take Over Industries

Plans of the Canadian Government in the event of war have not been made public but some reasonable guesses can be made. It is quite possible, for example, that certain industries would be taken over and operated under Government control but with present operating management left intact. This might include the packing plants, such as Canada Packers and Burns Co. In such an event these companies would probably be guaranteed a fixed margin on all their production. While their profits would be limited, they could still be substantial without any chance of the stigma of "war profiteering" that was so frequently bandied around 20 years ago.

Other examples of possible Government control and operation would be the railways. This could lead to unification and a permanent solution of our railway problem.

European Competitors Eliminated

In connection with canning companies, meat packers and other food companies, it should be remembered that under peace conditions, Denmark, Holland, Italy, Spain and other European countries are large sources of supply for food in Great Britain. In the event of war, many of these would be cut off. The market, however, would have to be supplied as people still must eat and an army needs foods that civilians may have to get along without. Thus the market for Canadian and other American suppliers in Britain would probably experience large increases, perhaps up to or even above our ability to meet the demands.

The last war brought about a wave of prohibition. It would not be too much to expect that another series of restrictions against the liquor and brewing companies would be seen in the event of a war. At such times, there is a strong feeling that the country's resources should not be dissipated in things which do not contribute to the all-important matter of fighting and winning a war.

New Industries

But there has grown up in Canada in the last 20 years a whole crop of new industries that would likely experience increased volume of orders in the event of a war. The first example that comes to mind is the airplane. Canada has a young airplane industry that has been slow in getting started. There are now plants operated by National Steel Car, Canadian Car & Foundry, Canadan Vickers, Fleet, Fairchild, deHavilland, Ottawa Car and others that are actually working on airplane orders from the Canadian or British Governments. The central organization of Canadian Associated Aircraft has started work. Most of these companies have orders in varying amounts, usually small, at present. But if they demonstrate ability to handle the business, they are not likely to lack for more orders and the up-to-the-present profitless airplane manufacturing industry may turn into a bonanza.

The Canadian chemical industry is another example. To a large extent it is in the hands of a few large concerns of which the best known are probably Canadian Industries, Shawinigan Chemicals, Standard Chemicals. As outlets for by-products, both International Nickel and Consolidated Mining are interested in the chemical industry. This is a business that should experience greater prosperity in wartime.

Steel and Machines

Steel companies and those making machine tools have always been regarded as "war babies." Many of the companies already mentioned as interested in airplane manufacture are also makers of steel equipment of one kind or another. Some of them have been working on trial orders for shells. Steel Co. of Canada, Algoma Steel and Dominion Steel & Coal are this country's largest primary iron and steel producers and would likely experience increased orders.

A number of officials of leading companies have intimated to The Financial Post that their companies would not be at all anxious to go after war orders. This probably refers more to a war in which Canada is not directly involved as it would be too much to expect that the Government would allow much choice in the matter in the event of actual hostilities. These executives, however, see war orders as dislocating their ordinary business. They mean large-scale switching of productions activities and after the war is over there is the inevitable period of readjustment which will likely involve losses.

Like any other period, the problem of the investor in time of war is not an easy one. It is made even more serious at this time by the widespread feeling that another major war could mean drastic changes in our whole economic system. This latter point, however, is one that can hardly be dealt with at this time.

Not Prosperity For All

Not all companies are going to experience prosperity in wartime. There is the question of profit limitation, perhaps through taxation or through other methods of Government control. Wars are inevitably inflationary. This means higher prices and higher costs. Income of the civilian population may lag behind the rising costs of living. Like any other inflationary period, it will require unusually nimble and shrewd action on the part of investors to protect or perhaps increase their capital.

Companies that have resources of raw materials or commodities stored underground such as oil producers, metal mines or concerns controlling timber limits, can benefit from rising price levels better than most.

Gasoline and oil have become an essential of war. Turner Valley crude producers would likely find their marketing and price problems solved at once. International Petroleum might easily be able to cash in on the new oil fields being developed in Venezuela and other South American countries. British American Oil has its sources of supply in the United States. Purely refining and distributing companies, however, might easily find a war period a difficult one. It is conceivable that civilian operation of automobiles would be reduced, perhaps on account of rising costs or even governmental restrictions.

Textile companies might find a huge new market in clothing the armies. Tip Top Tailors, for example, should be able to turn its resources to making uniforms. Canadian Celanese, on the other hand, might have to wait for a rising demand for substitutes for wool and cotton to obtain much benefit from wartime conditions.

Among the dairy companies, a group not greatly in favor with investors even now, it would likely be the ones with important sources of canned milk that would receive any benefit.

Flour Milling

In the last war, and for years afterward, Canadian flour milling concerns did very well indeed. At least in part, they should duplicate this performance again. A depressed industry for a number of years, in point of percentage gain flour milling might easily be outstanding. Maple Leaf Milling, Western Canada Flour Mills, St. Lawrence Flour, as the less prosperous representatives of this group, might be particularly desirable holdings.

It is difficult to see where strictly merchandising companies would fare any too well. The demand for food, for example, is inelastic and while an immediate inventory profit from rising prices might be felt, trouble might be experienced in making price adjustments. If these companies combined manufacturing facilities with their merchandising activities they might be in a better position.

Utilities and any organization that works under regulated rates would likely experience a rising demand from wartime inflation but rising costs and difficulty in adjusting rates could easily minimize any benefit to their shareholders. Any company which obtains a large proportion of its income from foreign sources would be particularly vulnerable. Exchange rates would undoubtedly fluctuate and chances of political interference be heightened.

Under possible wartime conditions, investors should not neglect possible changes in farm markets. As one of the most accessible sources of food supplies, Canadian farmers would probably become considerably more prosperous than has been the case for the past few years. While we may not see $3 wheat again, it is quite conceivable that $1.50 a bushel would be reached. And Canadian farmers have learned from the adverse conditions of the past few years how to produce much more cheaply than formerly.

Thus the farm market, including farm machinery and supplies, clothing, furniture and household equipment, automobiles and trucks, is likely to be a fertile field.

Market Opinions

Students of the stock market everywhere this week have naturally turned to the latest war threat as the most potent force governing stock market movements.

Brookmire Counselor, New York—"The impressive resistance to pressure displayed by the stock market has further reinforced the belief that this is a juncture for forward-looking action, rather than an occasion for excess caution. While an outbreak of hostilities would temporarily dislocate the market, the more likely alternative of settlement of the Polish problem would decisively strengthen the prospect of a rising trend in stock prices. Clients are, therefore, warranted in maintaining their active funds for accumulation, diversified in dynamic industries and stocks."

* * *

Barron's New York (The Trader)—"For, if worst came to worst it cannot yet be demonstrated that the great tragedy of another European war would necessarily be immediately bearish on the American economy. War, in the long run, is always inflationary. Already the armaments race abroad has pushed foreign industrial production to a record high level and a further intensification of so feverish a production pace could hardly fail to help stimulate American business.

". . . This raises the question whether the worst may not have been discounted. Regardless of whether war or peace is soon to evolve, the Government has made clear that, unlike 1914, it is fully prepared to cope with an emergency. . . ."

* * *

Investor's Chronicle, London, Aug. 19)—"The short view obviously suggests cautious and dull markets, for the 'war of nerves' is once again working up to a fever pitch. The longer view depends to a substantial degree on the success with which we weather the attacks on our morale during the remaining weeks of the crisis scene. Acknowledging the probability of another crisis, I am nevertheless hopeful of the ultimate outcome and can only reiterate the advice of 'Austin Friars'—to carry on 'as usual' in the knowledge that whatever intermediate fluctuations we may experience, well-chosen securities still remain the best haven for accumulated funds."

* * *

The Financial World, New York.—"Since earning power is the essence of security values, there is nothing in the real situation to warrant investors exercising grave concern about their holdings of sound stocks bringing good incomes, even though they may be temporarily affected by present uncertainties. Speculative commitments might well be deferred until the outlook clarifies."

* * *

The Annalist, New York.—"With reasonably good fortune general business should average appreciably better during the second half of the year and 1939 earnings consequently will probably in most cases show good gains over 1938."

* * *

Barron's, New York (The Dow Theorist)—"To this extent, the lows (end of June) represent an important resistance point and, if they should be broken by both averages, it would be a disturbing development. Such a decline, however, would not be interpreted as signalling change in the direction of the primary trend, but rather as heralding a severe test of the lows reached the first week of April."

Distillers-Seagram Sets Up $105,000 Sinking Fund

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams advise the Montreal Stock Exchange that $105,000 has been set aside as a sinking fund for the retirement of the company's 5% cumulative preferred stock. This sum is available as liquid assets of the company derivable from the ascertained net profits of the company for the purpose of such retirement and redemption. The treasurer of the company has been authorized to act accordingly. At the end of last July a total of 164,900 shares of 5% preferred stock was outstanding.

Dominion Coal Miners Strike

Majority of Collieries Are Tied Up by Labor Troubles

From Our Own Correspondent

MONTREAL.—Operations of Dominion Coal Co. are likely to show a falling off unless immediate steps are taken to bring about a settlement of labor troubles.

This week nearly 9,000 miners were on strike or set to strike if their terms were not accepted by the operators.

Over the past week 2,300 men have been idle in the Caledonia and No. 11 collieries of the Dominion Coal Co. The men of Caledonia struck in sympathy with an employee whose request for a wage increase was refused.

President D. W. Morrison, of United Mine Workers District No. 26, said that the strikes in Caledonia and No. 11 collieries were outlaw tie-ups which the district executive did not sanction. Morrison said that he had urged the men to return to work and executive members had given the same advice.

The miners themselves are antagonistic to the company's stand which is that there will be no negotiations until the collieries resume work.

Massey-Harris Company, Limited

First (Closed) Mortgage Bonds to Yield over 4.73%

Massey-Harris Company, Limited is the largest manufacturer of farm implements in the British Empire. The original business was established in 1847, more than 90 years ago, and the Company's machines are now sold in 55 countries throughout the world.

In the last fiscal year, the Company's earnings amounted to four times Bond interest requirements, after depreciation.

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Company Reports

3rd Can. General Invest.

Earnings of Third Canadian General Investment Trust for the first six months of 1939 were just slightly above those for the corresponding period of 1938. Dividends paid were 11 cents a share against 10 cents. This is said to be "in the face of a reduction of approximately 4.4% in total dividend payments by Canadian corporations during this period from the level of the corresponding period of last year."

Marketable securities are shown to have a market value of $1.7 million at June 30, 1939, and other securities are estimated to be worth $84,743, making a total of $1.8 million. The latter figure is in excess of book value by $356,758. Net assets at June 30 this year are valued at $1.8 million as compared with $2 millions at Dec. 31, 1938, and $1,778,815 a year ago.

Income and Surplus Account
Six Months Ended June 30

	1939 $	1938 $
Income (net)	53,399	53,150
Less: Mgmt. fee	3,375	3,375
Directors' fees	300	300
Legal fees	100	....
Other expenses	763	846
Net before inc. tax ..	48,861	48,630
Add: Prev. surplus ..	162,319	130,118
Less: Dividend paid ..	71,939	65,399
Surplus forward	139,240	113,348
Earned per Share	$0.075	$0.074
Paid	0.11	0.10
Shs. Outstand., n.p.v. .	653,994	653,994
Net Assets per Share .	$2.80	$2.71

Capital Surplus Distributable
Six Months Ended June 30

	1939 $	1938 $
Previous balance	648,334	614,701
Add: Net profit on secs. sold	34,931	13,805
Balance forward	683,265	628,507

Neon Products

Gross revenues and net profits of Neon Products of Western Canada gained in the year ended Apr. 30, 1939. Net profit is up to $73,302 from $61,064 the preceding year. Balance sheet shows some strengthening of position. Bank loans of $131,000 are down $14,000 while cash of $7,252 compares with $410 a year ago. Purchase money obligation has been reduced $10,000 to $30,000, with the balance due in three annual installments.

Regarding working capital, George W. Sweny, managing director, has the following comment to make:

"The item 'Neon Signs at Cost' ($398,722 as at Apr. 30, 1939) is strictly speaking neither a fixed asset nor a current asset, but lies somewhere between the two. This figure represents the cost of assets which have been constructed on firm orders and which are in process of liquidation every month, the contracts for which constitute the future revenue of the company. This liquidation is being offset from month to month by new contracts.

Income and Surplus Account
Years Ended April 30

	1939 $	1938 $
Gross revenue	645,278	578,727
Less: Direct costs	360,044	329,163
Operating profit	285,234	249,564
Less: Int. on par oblig.	2,437	3,107
Amortiz. of signs ..	178,283	160,268
Amortiz. of rights .	4,500	4,500
Income taxes	27,035	20,369
Res. for investment	*323	256
Net profit	73,302	61,064
Less Dividends:		
Preference	10,800	10,800
Ordinary	27,418	27,418
Surplus for year	35,084	22,846
Add: Previous surplus	60,046	37,200
Surplus forward	95,130	......

*Reduction in reserve.

Expenditures Partly Charged to Cost of Signs

	1939 $	1938 $
Directors' fees	1,090	730
Legal fees, coll. exps.	1,613	1,378
Executive salaries	10,000	10,000
Deprec. fixed assets other than signs	13,155	12,444
Real estate w/d	360	240
Earned per Share:		
Preference: Earned .	$20.36	$16.96
Paid	3.00	3.00
Ordinary: Earned ..	1.14	0.92
Paid	0.50	0.50
Shares Outstanding:		
Preference, $50 par .	3,600	3,600
Ordinary, n.p.v.	54,836	54,836

Working Capital

	$	$
Current assets	71,705	82,212
Current liabilities	201,503	223,245
Excess of current liab. over current assets	129,798	141,033

Kensington Manor

Gross revenue of Kensington Manor Apartments showed an increase in gross revenue during 1938 of $1,054 over 1937, the London & Western Trusts, receiver and manager, reports. Property of the company is at Windsor, Ont., consisting of land and a three-story apartment.

Largely because of installation of refrigeration on the property, earnings for the year decreased from those shown in 1937, and distribution on the company's bonds was rendered inadvisable.

As a result of this refrigeration, the receiver expects a saving of $600 in power and water rates during the year. Taxes are paid in full. The building was well rented throughout the year. Because of refrigerator installations higher rentals should prevail. No further firm offers have been received for the property.

A further distribution of interest will be made on the bonds. Court approval has been given to pay six months interest at 7% to April 20, 1932, plus past due interest at 5%. Holders are asked to forward bonds with ownership certificate to London and Western Trusts, 120 London St. West, Windsor, Ont.

Payment on a $1,000 bond will amount to $47.83, and fractions thereof.

Revenue and Expenditure Account
Years Ended Dec. 31

	1938 $	1937 $
Gross revenue	16,008	14,955
Less: Taxes	2,354	2,427
Insurance	47	885
Repairs, etc.	3,521	2,368
Heat., light., etc. ...	2,025	2,093
Janitor's wages	1,000	1,140
Cleaning supplies ..	32	45
Telephone	61	59
Advertising	22	....
Furn. & fixt.	273	296
Legal exp.	1,853	844
Misc. exp.	82	67
New refrig.	5,806	....
Balance	*1,068	4,731
Less: Bond int.	......	6,985
Deficit	1,068	2,254

*Deficit.

Willson Stationers

Earnings of Willson Stationers and Envelope Ltd., Winnipeg, showed a moderate decline in the year ended April 30, 1939. Net profit decreased to $19,571 from $23,712, equivalent to $4.89 and $5.93 a share, respectively on the 5% preference stock of $100 par value.

Cons. Income and Surplus Account
Years Ended April 30

	1939 $	1938 $
Gross profits	368,133	367,658
Less: Depreciation ...	15,128	13,800
Wages & salaries ...	202,994	200,483
Rents	51,375	51,369
Taxes	6,595	6,550
Int. & disct.	2,300	4,482
Insurance	1,095	580
Bad debts	6,320	4,645
Other expenses ...	93,568	92,093
Operating loss	11,242	6,344
Less: Inc. fr. invests.	6,552	7,204
Miscellaneous	7,644	7,771
Rents	20,640	20,640
Prof. on plant disp.	......	5
Add: Income taxes ...	4,022	5,564
Real estate w/o ...	1	......
Net profit	19,571	23,712
Less: Pref. divds.	20,000	20,000
Surplus for year	*429	3,712
Add: Prev. surplus ..	40,312	36,600
Surplus forward	39,883	40,312

*Loss or deficit.

Earnings per Share:		
Pref.: Earned	$4.89	$5.93
Paid	5.00	5.00
Com.: Earned	nil	0.07
None paid.		

Working Capital

	1939 $	1938 $
Current assets	520,074	530,352
Current liabilities	42,315	52,229
Working capital	477,759	478,123

National Steel Car

National Steel Car Corp.'s financial statement for the year ended June 30, 1939, while showing an expected reduction in earnings, indicated a continued strong working capital position. During the year the company had an operating profit of $1,082,956 and a sundry income of $28,011. This contrasts with an operating profit of $1,681,498 and other income of $10,910 in the year ended June 30, 1938. After providing for all charges, including a substantial write-up in the reserve for depreciation, the balance was equivalent to $3.58 a share on the 175,500 shares outstanding against $9.27 a share on the 130,000 shares outstanding at the close of the previous fiscal year.

The balance sheet shows an expansion of nearly a million dollars in net working capital to $2,765,483. This reflects mainly the common share financing undertaken during the period which enabled the company to spend $984,196 in new plant and equipment required in connection with the company's participation in production of British and Canadian defense requirements. Cash and call loans totalled nearly $1.6 million, as against $1.2 million a year ago. Inventory declined during the year by nearly $300,000 to $1 million while investments are moderately lower at $395,763. Investment made in Canadian Associated Aircraft is shown at $166,666, on which there is a balance payable of $82,566. Investment in plants, property, etc., now stands a little over $7.6 millions, as against $6.6 millions a year ago.

Income and Surplus Account
Years Ended June 30

	1939 $	1938 $
Oper. profit	1,082,956	1,681,498
Less: Sals., fees, etc. .	87,574	93,397
Net revenue	995,382	1,588,100
Add: Other income ..	28,011	10,910
Total revenue	1,023,393	1,599,010
Less: Deprec., etc. ...	257,825	167,886
Income taxes, ...	135,461	225,727
Net profit	630,106	1,205,396
Add: Prev. surplus ..	1,391,761	186,365
Suplus forward	2,021,867	1,391,761

Capital Surplus Account
Years Ended June 30

	1939 $	1938 $
Prev. balance	934,325	934,325
*Divds. paid	565,500	......
Bal. car. forward	368,825	934,325

*In accordance with resolution passed at the 1938 annual general meeting, capital surplus has been charged with all dividends declared during the years ended June 30, 1938 and June 30, 1939, leaving balance as shown.

Working Capital
As at June 30

	1939 $	1938 $
Current assets	3,946,299	3,615,873
Current liabilities	1,180,816	1,835,937
Working capital	2,765,483	1,779,976

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Bond Markets

Canadian Bond Prices Beat Orderly Retreat

D.B.S. Daily Index of Dominion Long-term Bonds Reaches 115.2 Compared with Munich Low of 112.6

Canadian bond markets marked time during the week, scrutinizing the international scene for some indication of whether the climax of momentous events will bring forth comedy or tragedy.

While prices were depressed along the entire list, there was little evidence of "dumping" of securities.

The most important event of the week was the pegging of gilt-edged securities on the London market. Since that time prices have rested on the pegged bottom.

Events seemed to be rapidly shaping up to the point where investors will know what to expect of security markets. The effect of the present crisis in Canada has not been as severe as the Munich decline and there has been every indication that future tension will have a diminishing effect on security prices.

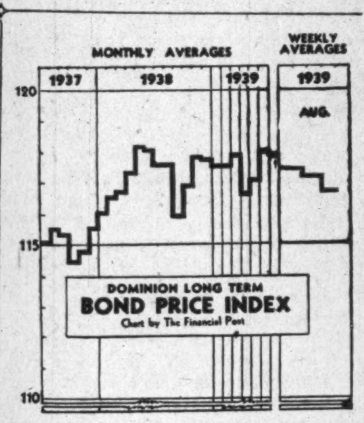
The difference between the present drop in prices and the September decline is best illustrated by the Dominion Bureau of Statistics index of long-term Dominion of Canada bonds. In the week ended Aug. 24 the index fell to 116.6, and the daily index declined in the same week from 117.5 to 115.2. This was still considerably above the low of 112.6 reached Sept. 28, 1938, at the height of the Sudeten tension.

The decline in Canadian high-grade bonds is illustrated by the following tabulation:

Security Prices
(Compiled by Wood, Gundy & Co.)

	Aug. 26	July 25	Jan. 7
Dominion, 3/55	98	100⅝	100
Dom. conv., 4½/59 ..	109½	113½	113
C. N. R., 3/50	97½	100¾	99¾
Ontario, 3/50	97	100½	99½
Quebec, 3/51	95½	96½	97½

* * *



Discount Rate Jumped

An indication that easy money has come to an end in Great Britain was given by the announcement of the Bank of England that the discount rate, which has been at 2% since 1932, was raised to 4%.

This move was the culmination of the current armament boom and the war scare which has given impetus to the flight from the seven-year-old cheap money policy of Great Britain.

There is not likely to be any immediate reaction in this country from the English action. We still have much idle capital.

* * *

Firmer Interest Rates

There are, notwithstanding, developments which are firming interest rates. The two principal factors are war and political tension in Europe with all their implications.

There doesn't seem to be any prospect of a sudden exodus of capital abroad, but the English scene is bound to leave some impression with Canadian investors.

In addition, domestic outlook apart from war would point to an eventual hardening of interest rates.

* * *

Holding Prices

One potent factor supporting bond prices in the U. S. is seen by an investment consultant as the disinclination of the present régime, or a more conservative one, to tighten money to any extreme degree. No government could afford to precipitate a decline of any proportions in the bond market. It would do too much damage to the banks, holding the bulk of U. S. Government obligations.

A change of government, however, would probably firm rates enough to constitute an important change from extreme lows now prevailing, according to this observer.

These calculations, of course, rule out the possibility of war in Europe. So many of these predictions eliminate this potential major influence, that it is customary to frame calculations on this no-war basis.

* * *

Bond Index

DOMINION OF CANADA
Long-term Bond Index

	Latest week Aug. 18-24	Preceding week Aug. 11-17	Weekly average year ago
Price	116.6	117.5	117.7
Yield	62.7	60.8	62.7

May Support Bond Prices In Wartime

Observers Expect Pegging to Stem Serious Declines

MANY NEW FACTORS

Viewed by many as a precursor of what will occur in the Canadian bond markets during wartime was the British Government's recent action in pegging prices of gilt-edged securities.

Such a course has long been taken as an eventuality in times of crises by British investors and the recent move of the Government came as no surprise. In the previous crisis of September the same action was taken after prices of high-grade obligations threatened to slip to levels damaging to both borrower and lender.

Finance Important Job

In Canada, British efforts to forge a powerful economic adjunct to the armed forces are being watched with considerable interest. Finance is unquestionably one of the most important jobs of government in wartime. It is not generally known what measures Canada will be forced to adopt, but pegging of government high-grades is more than a possibility.

Investors, The Financial Post is told, may reasonably expect a decline in prices of high-grade bonds in the advent of war. To a large extent Canadian and U. K. markets have already discounted the outbreak of hostilities over the past few weeks in gradual declines. The drop of prices on the U. K. market has been severe, necessitating pegging of prices. In Canada a number of underlying factors have stemmed a precipitous decline. These are the factors that are likely to differentiate between the action of the Canadian and the U. K. markets should war eventuate.

Influences at Work

These factors will depress bond prices:

(a) Demand for funds to finance arming of Canadian forces will tap domestic money markets and investors will ask higher interest rates. Prices will be lowered in consequence. The old demand and supply factors would change the bond market from one favoring the borrower to one where the lender would dictate terms.

(b) Acceleration of a war-stimulated industry will present many attractive industrial securities to investors and lessen attraction of government bonds. It will also make less money available for investment in the latter type of securities.

(c) Gradual liquidation of government securities held in Europe will increase the supply of these investments on the North American markets.

These factors will tend to support bond prices:

(a) Huge surplus of funds in the U. S. seeking investment.

(b) Maximum government support in maintaining prices.

(c) Surpluses possessed by Canadian institutions which would take substantial amounts of government offerings.

Discount Rate Raised

By doubling its rediscount rate the Bank of England has given notice that the era of low interest rates is nearing an end. Other rates, for short-term bills and commercial paper have been moved upward in Britain.

The first period of adjustment on the outbreak of war, would probably not be as drastic as in 1914, because investors have for some time been weighing the consequences of the disruption of finance and commerce that would ensue.

The diverse effects of abnormal wartime activities could be expected to develop as the conflict lengthened, and probably on a much different pattern from that of the last war.

In weighing the possible effects, the presence of the U. S. in close proximity to the Dominion is a vital consideration. The tremendous accumulation of wealth in every form is a factor that will weigh heavily in determining the course of bond markets.

It is almost certain that capital would flow from the U. S. to Canada if no governmental restrictions were placed in the way. The much needed outlet for profitable investment would present itself in wartime industry.

Bank New Factor

With Canada's excellent credit standing maintained at somewhere near its present levels, in all probability lower prices for high-grade Canadian securities and lower yields might attract a part of the huge surplus of private and institutional funds dormant in the U. S.

The Bank of Canada is an entirely new factor in the picture. There is no doubt that a greater measure of control of bond prices will result from its functioning, but how far that control can extend remains to be seen. It will probably make for an orderly market and place a prescribed bottom on security prices.

Wartime Financing

There seems to be little doubt that Canada would be forced into long-term financing for war expenditures. While part of the gigantic expenses that modern warfare entail might be financed from current revenues and from short-term treasury bills, there appears little possibility of avoiding issuing large amounts of bonds.

In Great Britain the Government has already gone to what appears the limit of taxation in financing armaments. Treasury bill financing has been exploited to the utmost and with the quickened expenditures of actual warfare, offering of long-term obligations would be the only recourse.

Inflationary measures would most likely occur, involuntarily or otherwise.

Initial Loss Likely

In summarizing possible developments in the bond market in the case of war, there is good reason for believing that present holders of fixed-term securities would suffer initial losses. Interest rates would rise on government obligations.

Best grade industrial bonds would probably continue to move in line with Government bonds although fluctuations might be more severe. More speculative bonds, as always, would likely reflect changing conditions in the affairs of each company. Initial effect of times of stress on weak securities is always more serious than on stronger ones.

Evidence of the preference of investors for equities has been given already on the London market. On the other hand, many institutional and private buyers with confidence in the future and the ability of the country to assume a much larger debt burden, will take the opportunity of increasing portfolios by including government long-term bonds. This will raise considerably the mean return on moderate and extensive portfolios.

In an inflationary period, fixed-term obligations would suffer most. Principal would be repayable in a debased currency; real income would be reduced.

NEW DIRECTOR

W. G. E. Aird, general manager of Montreal Cottons Ltd., who has been elected a director of the company.

Bond Tenders

5 p.c., Sept. 11, Farnham, P.Q.—$20,000, 4%, dated Aug., 1939, redeemable annually in 20 years. Armand Bordeleau, sec.-treas.

12 noon, Aug. 31, Canada Treasury Bills—$25,000,000, dated Sept. 1, 1939, due Dec. 1, 1939.

5 p.m., Sept. 18, Catholic Sch. Com. of Three Rivers, P.Q.—$175,000, 3½ or 4%, dated May 1, 1939, redeemable serially May 1, 1940 to 1969. J. U. Gregoire, sec.-treas.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson ..	*5%	1952	Jan. 1 '40	105
B. A. Oil, s.f. deb.	4%	1945	Sept. 15	101½
Wood, A. & J. ..	‡6%	1944	Oct. 4	103

*All outstanding balance. For sinking fund purposes: ‡$26,000.

Pulp and Paper Industry

New Abitibi Proposals Would Eliminate Bonds

New interests have entered the arena in an effort to bring an end to the long-drawn struggle to reorganize Abitibi Power & Paper Co.

Hon. G. Howard Ferguson, president of the Crown Life Insurance Co., Thomas Bradshaw, president of the North American Life Insurance Co., and Hon. Gordon W. Scott, Montreal chartered accountant, have sent a joint letter to the various committees acting in the case with a new set of proposals.

Response to the letter is stated to have been encouraging. Favorable replies have been received from chairmen of the bondholders' defensive committee (the Drayton committee), the common shareholders' committee and the general creditors' committee. These men made it plain that they were speaking only for themselves and, until they had an opportunity of discussing the suggestions with other members of their committees, they could not speak officially. Hon. R. B. Hanson, Fredericton, who states he represents important security holders, has also signified his approval. The only recognized committee not heard from is the Symington bondholders' committee which is working on its own plan for a judicial sale of the Abitibi properties. This latter committee claims to have actually on deposit more than $30 millions of the $48 millions of 5% first mortgage bonds.

The three sponsors of the latest compromise move approve of the bondholders protective committee's proposals to convert the principal and unpaid interest of the bonds into shares. They suggest that bondholders should get approximately the same principal amount as their present claims, around $70 millions, in 5% shares, which would carry full voting power.

It is pointed out in the letter that the receiver's balance sheet shows total assets of approximately $120 millions. Deducting the bondholders' claims of $70 millions, this leaves a "theoretical" equity of $50 millions "which should belong to unsecured creditors and shareholders." They propose to create approximately $50 millions of junior shares which would be allotted to creditors, and shareholders on an agreed basis.

An Independent Committee

Messrs. Bradshaw, Ferguson and Scott do not claim to have prepared a plan in full detail. They state, however, that they "have agreed to act as an entirely independent committee to study the situation and to lend any possible assistance in effecting an arrangement that would bring the company out of receivership with as little delay as possible and, at the same time, allow each class of security holder to know definitely his exact position." It is stated that the suggestions made have been "discussed with important and influential interests."

In support of their plan, the latest group state that "we believe this plan should be acceptable to bondholders, because if, as has been suggested, there is no equity, then bondholders are making no sacrifice, but, on the other hand, if an equity should exist, the shareholders who are the owners of the business (subject to the prior claim of the bondholders), would receive recognition of their equity." They add that the plan could be consummated through the Dominion Companies Act and the Companies Creditors' Arrangement Act with less difficulty than other plans under consideration and would eliminate the necessity of issuing prior securities.

These proposals have not yet taken the form of a complete plan of reorganization and until this has been done and the attitude of the major bondholders' group made known, it can only be the basis for discussion. It has always been the contention of the bondholders' protective committee that they would not listen to proposals that failed to keep fixed charges at a minimum. In this respect, at least, the latest suggestion seems to fulfill requirements.

In recent months, trend of earnings for Abitibi has turned less satisfactory. For the first seven months of 1939, net earnings of $1.2 million are 10.42% lower than for the corresponding period of 1938 which in turn was well below 1937 levels. This is in spite of newsprint and bleached sulphite shipments well above 1938 levels. Thus the company has given little ground to believe it can consistently show earnings sufficient to support a capitalization approaching existing levels.

Ont. Paper's Plant Ready

New $1 Million Barking Plant Operating at Heron Bay

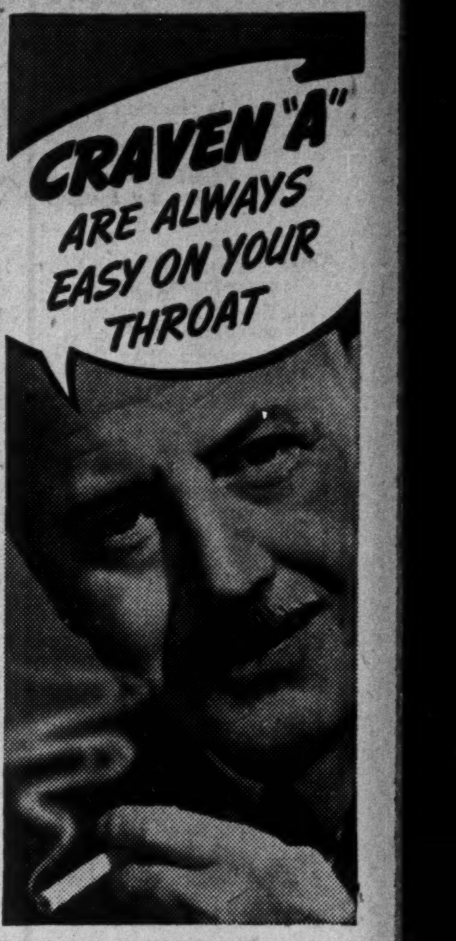
Ontario Paper Co. has just completed a new barking and shipping plant at Heron Bay, on the north shore of Lake Superior. The new plant is reported to have cost approximately $1 million and has been under construction for about one year. The new plant is to be a source of supply for the company's paper mill at Thorold, Ont. Ontario Paper Co. manufactures newsprint exclusively for the Chicago Tribune and the New York Daily News.

Construction of the new plant, which is to obtain its pulpwood supply from the company's timber limits in northwestern Ontario, involved the building of a townsite. Prior to opening of the new plant, the company had obtained its wood supply from its own timber limits in Quebec. Limits have been acquired from the Province of Ontario on the Black River under an arrangement which obligates the company to cut a minimum of 40,000 cords of wood annually for 21 years.

War Crisis Boosts Sale of Newsprint

From Our Own Correspondent

MONTREAL.—Canadian newsprint producers have benefitted materially from the present critical situation in Europe through the largely increased sale of newspapers. The demand for news has meant a marked increase in circulation of American and Canadian newspapers. Just how much additional tonnage of newsprint paper has been used by the publishers will not be known until the August returns are available, but present indications are that the additional paper used will run into many thousands of tons.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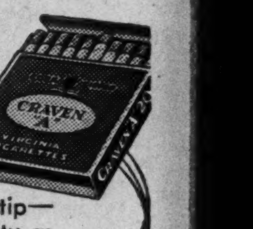

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Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

War Would Lift Taxes Cut Rail, Relief Losses

Expenditures for essential war materials and maintenance of a huge war-time personnel in the field are expected to impose a terrific strain on the human, material and financial resources of the country.

It is assumed by most authorities interviewed by The Financial Post that as much of the burden of extraordinary expenditures as possible will be imposed in speedily increased taxation. Proportion which the people could not assume would be raised by issuing debentures.

There remain many avenues which the Dominion Government might explore when considering raising moneys for armaments and other war-time purposes.

Increases in practically all of the present sources would be the probable procedure in collecting additional revenues. There are excise tax, sales tax, stamps, etc., income tax, excise duty, customs import duty, etc., which would be considered by a government faced with the necessity of collecting substantial amounts of revenue immediately.

Great War Precedent

Whether the stress would be laid on additional income tax, lowering of exemptions, heavy taxing of luxuries, such as tobacco, teas, spirits, etc., can only be conjectured.

In the Great War the Canadian Government took immediate steps to increase taxation on the so-called luxuries by passing the Customs Tariff Amendment Act and an Act to amend the Inland Revenue Act. Customs and excise duties on various commodities, including coffee, sugar, liquors and tobacco were passed. Customs import duties were raised in 1915.

The Special War Revenue Act imposed taxes on banks, trust and loan companies and insurance companies. In addition there were special taxes on telegrams, in addition to rail and steamship tickets, perfumes, proprietary medicines and numerous other articles.

Profits Tax

In 1916 the Business Profits War Tax Act was imposed, which collected a tax of 25% of the amount by which profits exceeded 7% annually of capital. This Act was amended in 1917 to provide for a 50% tax on profits in excess of 15% of capital and scaled generally upward. At the same session the Income War Tax Act was passed, increasing income tax of individuals. As the years progressed the Business War Profits Tax was increased in severity, and the Government's powers were enlarged in collecting customs import duties.

It is axiomatic to say that war is costly. Direct expenses of the last war to Canada are estimated at $1,697 millions. Total of all expenditures incidental to the war would exceed $4,500 millions. Mechanization of war and increased armaments used in its conduct necessarily raise the cost of warfare at the present time to that of 1914-18. Duration of a conflict would determine to a large extent total cost, but cost to nations every day in a conflict at the present time would be considerably higher than in the Great War.

$8,000 Millions War

It has been estimated that before Canada is through paying, expenses of the Great War will total $8,000 millions.

Net debt of the Dominion Government at the end of the 1938 fiscal year was $3,102 millions, before taking into consideration non-active assets. This is not as great as the cost of the Great War to date, and far short of the eventual cost.

On the outbreak of war it is expected that heavy extra taxes would be imposed again. Excess profits would likely be the target for legislators. This type of tax would probably have public support and increased income tax would provide Government with an elastic vehicle for raising additional revenue. Whatever else occurred in war-time, taxpayers may be assured that all the avenues of taxation open to the Dominion Government will be exploited to the utmost.

Even in gloom as deep as that surrounding the inevitability of increased taxation, there are some silver linings.

Expected Benefits

In the first place, the democracies would be able to solve their unemployment in the same manner as have the totalitarian states.

The armed forces would voluntarily or otherwise absorb any surplus of manpower. Industry keyed to war production would absorb more employees. The problem of relief would be largely solved.

In the period from 1931 to 1938 The Financial Post Year Book estimates that unemployment relief cost upward of $1,000 millions. The Dominion Government assumed 40% of this cost, the provinces, 41% and municipalities, 19%. In 1938 unemployment relief costs were estimated at $145 millions, and it is probable that the figure will run higher this year.

These expenditures in the event of war would be drastically reduced.

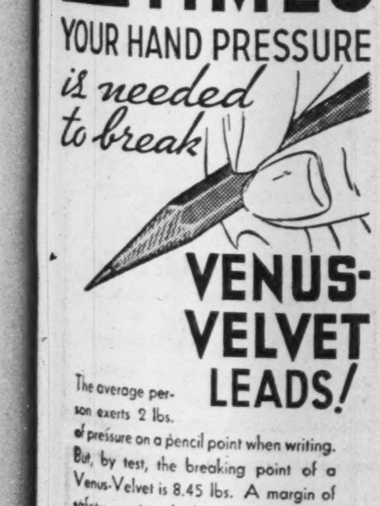
Rail Problems

Another of the small consolations to be exacted from war would be the fact that the Canadian Government would be forced into effecting an immediate solution to the railway problem, which has been one of the country's greatest peace-time drains on the treasury.

The Canadian National Railway Co. showed a total cash deficit of $54.3 millions in 1938. In 1937 it was $42.3 millions. Losses in varying amounts have been the rule since formation of the Government road, and unless some drastic step is taken to tackle the problem it will continue. Movement of war supplies across the Dominion would increase revenues of the system, but there is a possibility that it would be necessary to increase wages because of labor shortage.

The advent of war would with one stroke wipe out the liability that the Government has assumed on wheat. At the present level of grain prices, it is estimated that the Canadian Government will absorb a loss of approximately $100 millions this year. A moderate rise in wheat would eliminate this liability.

4 TIMES YOUR HAND PRESSURE *is needed to break*



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Municipal Finances

Westmount, P.Q., city council has approved plans for borrowing $300,000 for construction of trunk sewer in sections of Western, Olivier and Kensington Avenues.

* * *

New Westminster, B.C., financial statements for 1938 showed an excess of expenditures over revenues of $46,258. Gross debenture debt at the end of the year totalled $6.9 millions, for which there was sinking fund of $3.1 millions. No provision for general sinking fund was made from 1933 to 1958, inclusive, as provided by amended Municipal Act.

* * *

London property and business assessment shows an increase of $883,019 over the 1938 level, totalling $83.6 millions. This figure is subject to change by court of revision.

* * *

Montreal Metropolitan Commission reports municipalities under its jurisdiction have reduced tax arrears from $1,928,000 in 1935 to $1,411,000 in June of the current year.

* * *

Lethbridge, Alta., will retire $349,200 of debenture debt in the current year, the largest amount since the city received its charter in 1906. Levy for debenture payments will consequently be $18,490 less.

* * *

Moose Jaw total tax collections to July 31 were 76.37% of total levy, compared with 73% in the same period of 1938. Current taxes collected were 61.97% of levy, while in the corresponding period of 1938 the figure was 64.52%.

* * *

Windsor, Ont., city council has passed a by-law authorizing a $50,000 debenture issue, proceeds of which are to be used for purchase of a new airport site. The city will pay $54,000 for 432 acres, seven miles southeast of the city. The Dominion Government will spend about $200,000 on the grounds and buildings. The airport will be the southern terminal of the Trans-Canada Air Lines and an important link between Canadian and U.S. routes.

* * *

New Toronto has passed a resolution authorizing issue of $5,000 of debentures for construction of a $12,000 addition to the public library.

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Model illustrated—1940 Packard One-Ten Touring Sedan $1292 (white sidewall tires extra)*

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Founder and Chairman—JOHN BAYNE MACLEAN
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TORONTO, SEPTEMBER 2, 1939

The Financial Post Editorial Platform for Canada

The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.

The Financial Post stands for LEADERSHIP of this kind in Canada.

Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:

1. *Eliminate waste from public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Promote migration of European industries to Canada.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *Put Canada's defense programme under competent direction.*
6. *Modernize our railway services on a sound, profitable basis.*
7. *Maintain financial integrity in meeting public and private obligations.*

Canada's Stand

NOTHING said by Canada's Prime Minister either publicly or before Parliament (if that body is summoned) can now alter the disappointment the majority of Canadians have felt in the official government attitude in this hour of crisis.

Admittedly our relationship as one of the British nations is a difficult one.

The Statute of Westminster precludes a return of the old days of close dependence on the Motherland. Most Canadians—indeed most citizens of the Empire—are glad of the new freedom. They deem it a natural and desirable forward step.

But Canada's independence has not yet taken us out of the Empire. We still hold common allegiance to the Crown. The King's enemies are our enemies. And the threat which hangs over the world today is a threat to our domain, to our political system, to our free institutions, just as much as it is to those of Great Britain.

* * *

Most of us realize this. All of us know the answer Canada will give if war comes.

What makes good native blood boil is to have our position distorted and misunderstood.

Instead of the world being told that Canada is ready and eager to meet her new responsibilities as a unit of Empire, there is emphasis and reiteration on negatives—Canada's independence, Parliament's supremacy.

Ad nauseam we are told what Canada is not prepared to do. The needed, urgent word is a clear emphatic statement of what Canada WILL DO.

The Government has failed flagrantly in using its weight and influence as a unit of Empire in preventing war. One of the greatest factors in avoidance of war is unity of opinion in Great Britain, in France, and in the Empire. British statesmen have repeatedly emphasized the position they will take in certain eventualities. They have done this in the hope of preventing war.

What has Canada done to prevent war? Her "wait and see" policy suggests a lack of unity in Empire relations which does not in fact exist. Its appearance may however give comfort and confidence to aggressors.

* * *

No country in the world is more united than Canada in its determination to resist the aggression that now threatens political security.

Canadians are not being asked to commit themselves blindly to another nation's policy. No one is quibbling about independence or parliamentary rights.

What is demanded by Canadians themselves and by the bitter need of the hour is that we use our independence to declare immediately our desire and willingness to stand by democratic institutions, to stand by the Empire and to fight, if necessary, for the protection of either.

A Wise Partnership

IN AN address prepared for the Union of Nova Scotia Municipalities meeting at Bridgewater this week, Hon. Eric Cross, Ontario's youthful, conscientious Minister of Municipal Affairs, gives striking examples of the manner in which municipalities in that province have improved their financial position in recent years.

A few years ago, 35 Ontario municipalities were in default to the extent of over $100 millions. The province exercised its regulatory authority. Aided by a taxpayers' revolt, necessary remedies were applied. The results were highly encouraging.

Today gross municipal debt has been cut $50 millions; a good portion of the defaulting money has been refunded. By 1941, further striking reductions in debt are expected as well as material reductions in taxation.

What Mr. Cross emphasized to his Maritime audience was the responsibility which Canadian provinces hold toward their municipalities and the rôle which good citizenship must play if the best results are to be obtained.

> "The province should not permit the municipal credit of a municipality to be impaired and the whole country suffer thereby by reason of careless and profligate administration. A misguided council may do irreparable harm to the credit of its municipality in the course of a few years.
>
> "The primary responsibility here is not one of the province but of citizenship. (Municipal taxpayers should be made to realize that it is up to them to protect themselves and that it is not the function of the province to relieve them from the responsibilities of good citizenship.)
>
> "But I am convinced the province should set up effective control over the incurrence of municipal debt in some such manner as has been done in Ontario."

Mr. Cross believes that there should be provincial control but he does not believe in "softening the fibre of self-government" by too much paternalism. Municipal taxpayers, he believes, should be made to realize that it is up to them to protect themselves and that it is not the function of the province to relieve them from the responsibilities of good citizenship.

A wise partnership between "good citizenship" and governmental control could go far toward restoring financial equilibrium in Canadian public finance. To make this partnership most effective requires not only a knowledge of the facts on the part of responsible officials but also ability and willingness to place those facts before the public.

Too often, political expediency or perhaps apathy prevents an authoritative body such as a provincial government or an official opposition from doing this effectively.

Were all Canadian provinces and each federal department at Ottawa subject to the same scrutiny and supervision as Ontario's municipalities, the partnership with "good citizenship" would be an easy one.

The job of political leadership in Canada is to find ways and means of making this partnership effective under loose, divided constitutional authority. It would be unfortunate if a world war were required to find ways and means of bringing about this partnership.

Wasting Public Funds

APPALLING wastage in governmental printing and publishing is disclosed in special articles printed recently by Canadian Printer and Publisher.

One example cited has to do with the problem of bilingualism. It reports that out of 22 different French reports printed, hardly any are distributed. Some received no call at all. Only 28 copies of nearly 7,000 French reports received public sale. English reports, in some cases, sold only a little better, namely about 5 for each 100 copies printed.

There is no possible excuse for a continuance of this inexcusable waste. On numerous occasions careful study has been made of the whole business of government printing and publications. Little more than a year ago, a complete report, disclosing in detail the duplication and inefficiency in this field of government, together with specific recommendations for its cure, was laid before government officials.

Until recently nothing had been done to implement the report. It just dropped into another dust-gathering pigeon-hole.

If Ottawa is serious about eliminating waste in the conduct of public business it should start immediately to overhaul its printing and publications machinery.

Cutting Housing Costs

RECENTLY a U. S. federal building finance agency surveyed the cost of building a standard six-room house in 90 U.S. cities. Its report showed that while costs had dropped sharply since the precipitous rise of 1936-37, the decline was entirely due to lower material prices accelerated by governmental legislation. Wage costs are now higher than in 1937.

The report and its implications have come under the scrutiny of Col. Leonard P. Ayres of the Cleveland Trust Co. He has some caustic things to say about the building industry.

Without laying at labor's door sole responsibility for holding house-building costs at discouragingly high levels, he criticizes bluntly the lack of co-ordination and economy-producing efficiency within the industry itself. He says:

> "These new cost data reflect in their details the greatest weakness of the construction industry, which is its almost complete lack of integration. It consists of great numbers of independent groups of artisans, laborers, architects, contractors, manufacturers, dealers and promoters, each seeking its own advantage.
>
> "The construction industry operates under conditions which many earnest students of social problems would like to impose by law on most other industries. It represents a minimum of concentration of capital; it is hardly at all monopolistic; it has great numbers of small independent operating units; a large proportion of its labor is highly organized; it is almost completely independent of Wall Street. The important qualities in which it is sadly lacking are economy and efficiency."

While some effort has been made in Canada to grapple with parallel problems, progress has been slow; the results discouraging. Leaders in Canada's building industry and allied fields might well study how far Col. Ayres's criticism applies to Canada, particularly in regard to house construction. They may well ponder means of improvement, especially by co-operative action.

Such integration, efficiency and economy as have been achieved in Canada have been applied chiefly in erection of the larger type of commercial buildings. House building has continued to suffer from lack of co-ordination, lack of operating efficiency and other sources of waste and added cost. This is in some measure due to the excessive number of small operators in the house building field, and unsatisfactory credit conditions in the industry.

Such conditions can largely be rectified by the industry itself. Success in this direction will determine, largely, the extent to which the industry will profit by and share in the next upturn in business.

Suspicious Advertising

THE Civil Service Review is a well-edited bulletin published by the Civil Service Federation of Canada. The current issue runs to almost 100 pages. It provides well-edited information on government policies of interest to the civil service. Most of its editorial material is well within its field, namely, that of an information circular for those working for the Government.

But the current issue contains 20 pages of advertising. Most of it is derived chiefly from firms which do a substantial contracting and supply business with the Government. This is quite improper for a bulletin of this character.

A great many civil servants place orders for a wide variety of articles. Suspicion is bound to remain in people's minds that many of these firms are advertising in the bulletin because they desire to ingratiate themselves with the civil servants in their official connections rather than because of any value the advertisement can have in directly affecting their personal buying habits.

In fact, out of nearly 70 advertisements published in the current issue, no more than 10 make any pretence at advertising products of interest to civil servants personally.

The bulletin of the Civil Servants Federation of Canada would be a much more potent influence were it published entirely without advertising.

The Oldest Democracy

SWITZERLAND—oldest democracy in the world—has just celebrated its 648th birthday. Representatives of three cantons met in August, 1291, to create a mountain republic of its German, French, Italian, Belgian and Dutch folk.

The Halifax Herald points out that the story of this confederation (after six centuries each group still speaks the tongue of its original mother country) is a striking refutation of "dictators' persistent contention that diverse peoples cannot live together in amity, and that minorities are never content."

There is a lesson here also for pessimists who think Canada's racial and economic problems are too great for permanent and contented solution.

The Canadian Editorial of the Week

Mr. Mackenzie King Also Spoke

Toronto Telegram

At the present time, and until the shadow now over Europe has passed, there should be but one political issue in Canada — the throwing of all Canada's resources into the struggle if the preservation of peace becomes impossible and war is inevitable.

It is essential for this purpose that Canada should be united behind its government. But, that unity can only be realized if the Government gives a much more definite lead to the sentiments of Canadians than anything that has yet come out of Ottawa. It will have to be a lead much more definite than the highly moral platitudes contained in Rt. Hon. W. L. M. King's appeal to Hitler, Moscicki and Mussolini on Saturday.

While they are blacking out cities in Britain, piling sandbags about the buildings, and removing art treasures to places of safety, Mr. King has told the dictators of Europe that Canada does not believe in force, and has offered our aid in reaching a just and peaceful settlement — by negotiation.

Australia and New Zealand have declared that if Britain is forced to go to war, she will not go alone. They stand where they stood 25 years ago. There has been no echo of this from Ottawa.

The head of the Canadian Government has not yet told the world that if Britain is forced to go to war she will not go alone. He gives no inspiration to Britons here or elsewhere. There can be no doubt where Canada will stand. But after appeals from His Holiness the Pope, the Oslo group of nations and the President of the United States have apparently been without effect, it must be felt that there should be something more definite from Ottawa than a feeble "me too."

Editorials in Brief

England's Professor Haldane said recently: "Life without danger would be like meat without mustard."

Herr Hitler seems to have the same idea.

* * *

A writer in the Halifax Commercial Club Bulletin says he sat on the beach at Pictou Lodge recently and watched the "North Star" — formerly the government boat "Prince Henry" — steam into Pictou Harbor. From being a government white elephant she is now doing an apparently profitable tourist trade for her new employers.

"Why," he wondered, "did the people of Canada take a licking as far as she and her sister ship, the 'Prince David,' were concerned?"

Years ago he recalls that the Plant Line used to run a successful line to Boston and that in those days cheap excursions to that port were a favorite trip for Haligonians. Why, he asks, could not something of the same sort be done by the "Prince David" (now lying idle) from Halifax?

Sayings of the Week . . . .

"When the locomotive comes down the tracks it's time to step off them."—*Mayor Camillien Houde.*

* * *

"Leadership is taking free men where you want them to go or to make them want to want to go."—*Lord Stamp.*

* * *

"The real and true purpose of advertising is not to sell goods but to make people think."—*Sir William Crawford.*

* * *

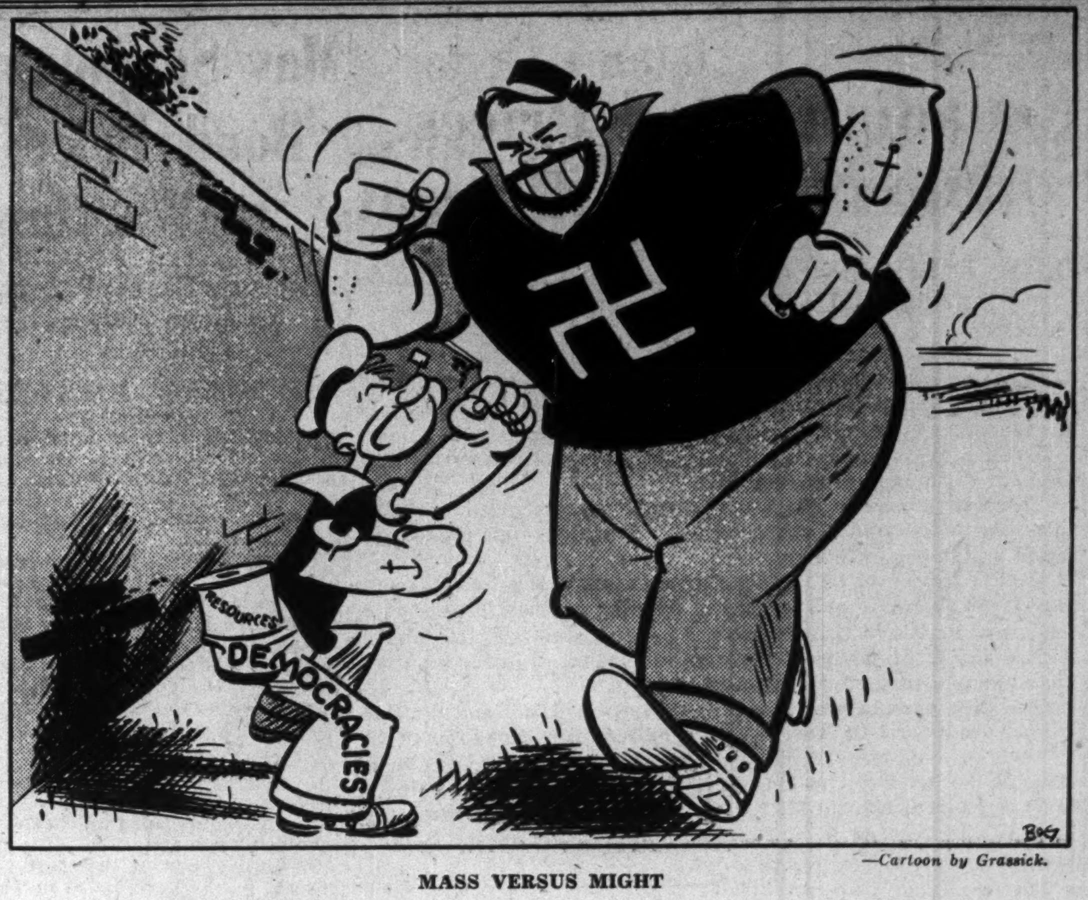
"We have got to believe in democracy the same way the Nazis and the Fascists believe in their systems."—*Earl Baldwin.*

* * *

"It is my sincere conviction that the limit of taxation has been reached in relation to our national income."—*Hon. Eric Cross, Minister of Public Welfare and Municipal Affairs, Ontario.*

* * *

"The issue is never merely of whether to spend or not to spend, but of how and under what conditions to spend, with careful attention to the inevitable repercussion on the social order."—*Dorothy Thompson.*



—Cartoon by Grassick.

MASS VERSUS MIGHT

Post-Scripts . . . .

Enniskillen's Pride

R. S. McLaughlin didn't have to go very far last Sunday to celebrate a church diamond jubilee in his old home town.

R. S. McLAUGHLIN

Enniskillen is just 14 miles from Oshawa. One source of pride is the fact that 72 years ago a young man, Robert McLaughlin of Tyrone built a small factory there to make his famous cutters, sleighs, democrats and buggies. True, the "guv'nor," as he became affectionately known, moved his establishment to Oshawa a few years later in order to be closer to sources of materials, but Enniskillen never stops being proud of the fact that it gave birth to what is now General Motors of Canada and that the McLaughlin family is numbered among its most famous sons.

Mr. McLaughlin told us recently that one reason his father made the move was that there was no railway station of any sort at Enniskillen. Everything had to be driven in or brought back from Bowmanville, eight miles away.

* * *

The United Church at Enniskillen, which celebrated its diamond jubilee last week, was dedicated eight years after R. S. McLaughlin was born. The present church stands on an original site adjacent to the old McLaughlin carriage works. It was built following the fire which destroyed the old carriage factory shortly after the main operations had been shifted to Oshawa.

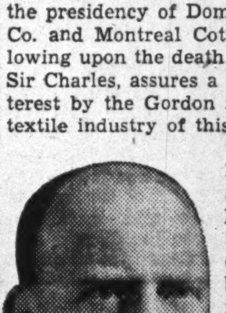
Other prominent Canadians who hailed from Enniskillen include A. N. Mitchell, president, Canada Life Assurance Co.; J. A. MacLaren, editor, The Barrie Examiner; W. D. Robins, ex-mayor of Toronto; W. J. Osborne, manager, Gas Appliance Department, Winnipeg Electric Co.; C. H. Mitchell, works manager, Westinghouse Electric Co., Hamilton.

As a matter of fact, the McLaughlins were Presbyterians. But for many years there was close co-operation with the Methodist Churches. In 1925 they merged into the United Church of Enniskillen. This present United Church, now holding its anniversary, was originally Episcopal Methodist Church.

* * *

Textile Continuity

George Blair Gordon's election to the presidency of Dominion Textile Co. and Montreal Cottons Co., following upon the death of his father, Sir Charles, assures a continued interest by the Gordon family in the textile industry of this country.



G. BLAIR GORDON

Sir Charles had three sons, but Blair, who bears a very close resemblance to his father, was the only one to take an interest in the textile business. He was born in 1900 and received his earlier education at Lower Canada College. In 1918 he served with the Royal Air Force and upon his discharge in 1919 finished his schooling at McGill University where he graduated in electrical engineering. His first job was as an electrician with the Provincial Paper Co. at Port Arthur. In 1923 he joined up with Dominion Textile as a fitter-helper. The following year he was made assistant to the general superintendent and in 1927 assistant to the general manager. He was appointed managing director in 1933.

Blair Gordon's rapid rise in the Dominion Textile Co. was by no means due entirely to his father's close association with the company. He went through all the departments of the textile business, learning his trade thoroughly. When the time came for him to take over what practically amounted to the actual management of the company, following the death of the former managing director, Mr. Daniels, he was equipped to handle the job and stand on his own feet.

* * *

During the last five or six years Blair Gordon has run the company. His father's name always appeared on the annual report as the president, but the actual operating head was not Sir Charles but his son. He has had to contend with many problems—depression problems, labor troubles, tariff disputes, etc.—but in handling all these matters he showed his inherited and acquired ability.

One of the most progressive steps he has taken since being made managing director of the company is in telling the story of his company to the public. This may not appear important to the uninitiated. But when the traditional secrecy of the industry is remembered, then the importance of the step is fully appreciated. It has broken down many prejudices and brought about a better understanding of the company and its policies.

* * *

Aside from business Blair Gordon spends many leisure hours playing polo. He is considered one of the better players in Montreal and has had his share of prizes and bruises. But probably no bruise experienced in polo playing compares with the one resulting from an ink well thrown at his head by an irate labor agitator in the office of the Montmorency mill. That knocked him out but not down.

In succeeding to the presidency, Blair Gordon takes over one of the most important positions in the primary cotton textile industry. It is a big job for a young man, but the initiative and ability which he has shown in the past few years assures that the company his father was instrumental in forming will continue to benefit from able management.

* * *

Saint John Freeman

When A. J. Nesbitt, head of the investment banking firm of Nesbitt, Thomson & Co., was given the freedom of the City of Saint John, he expressed his appreciation to Mayor D. L. MacLaren by saying that whatever he had been able to do for his native city he owed to his parents, who "by precept and example taught me the highest thing in life is love of God and love of neighbor." These words were not said lightly, for "A. J.," as he is known along St. James's Street, believes wholeheartedly in the Golden Rule and has given many evidences of his sincerity.

The Nesbitt firm has been responsible for the financing, and often the initiation, of many outstanding Canadian enterprises, especially in the public utility field. Mr. Nesbitt has been, and in many cases still is, associated with B. C. Power, Northern B. C. Power, East Kootenay Power, Winnipeg Electric, Canada Northern Power, Southern Canada Power, Dominion Power & Transmission, Power Corp. of Canada, Dryden Paper, Bathurst Power & Paper, Canadian Celanese and a host of other companies.

* * *

During his business career "A. J." has made millions and lost millions. But he has not made money merely for the purpose of accumulation, but to use it in bettering the condition of less fortunate people. His philanthropy is well known to Montrealers; in fact, so well known that "A. J." had to take the telephone out of his town house. He has given away large and small sums to almost countless individuals and charities. "A. J." has used his ability to make money in order to carry out his own religious convictions which are not circumscribed by creed or race.

Mr. Nesbitt was born in Saint John. His first business experience was in the dry goods business. Then he attracted the attention of Max Aitken, who induced him to enter the financial business. After a time with Royal Securities Corp., the training school for Maritime financiers, he established his own business which has developed into one of the largest investment banking firms in the Dominion.

Though he has been away from Saint John for a period of 33 years, Mr. Nesbitt has never forgotten the home town. In his own, self-effacing manner he has contributed generously to its welfare. But when he gave the Nesbitt Wing for Children at the Saint John Tuberculosis Hospital as a memorial to his parents, it was deemed a fitting occasion to present him with the freedom of the city.

It is said, and there is very good reason to believe it, that Saint John wanted to confer this honor on more than one occasion in the past, but "A. J." sidestepped it. However, on this occasion, when he went to spend a holiday in the Maritimes, his plans were known and preparations made to honor him during his visit. This time there was no escaping. Saint John honored a native son, and in doing so honored itself.

* * *

New President

Though young in years, Hartley D. McNairn, K.C., newly-elected president of the Association of Superintendents of Insurance of the Provinces of Canada, brings to his new office considerable experience in association affairs. For the past four years he has been Superintendent of Insurance for Ontario. During that time he has also acted as secretary-treasurer of the association. Previous to that he had served as chairman of the Ontario Advisory Board, official clearing ground for contentious matters involving applications and complaints of insurance agents, adjusters and brokers.

HARTLEY McNAIRN

During the years spent in the public service he has established a reputation for doing the thing he thinks is right, no matter what the opposition. While strong in his convictions he is usually ready to listen to other people's views. He will follow a better course if you can show it to him. But he must be sold on the idea before he will put it into practice.

* * *

Born in Toronto 35 years ago, he was called after the late Hartley Dewart, K.C., a life-long friend of his father. With this influence it would have been strange if he had not entered the legal profession. The sudden death of Hartley Dewart prevented young McNairn from serving his apprenticeship under his tutelage. He articled himself instead to Denton & Denton, with which firm he was when he was appointed superintendent for Ontario to succeed R. Leighton Foster, K.C.

He is a graduate of Upper Canada College, the University of Toronto and Osgoode Hall. In his college days he was an ardent rugby player. Today, with his wife and daughter, he is fond of hunting and fishing. He has been active in the affairs of the Toronto Men's Liberal Association. Direct in speech even to the point of bluntness sometimes, he is always ready to lend a helping hand, often going to considerable inconvenience to oblige people who have no real claim on his time or effort.

One thing we wish Mr. McNairn would do while he is in office is devise a shorter name for his association. A. O. S. O. I. O. T. P. O. C. seems just a trifle long in these days of streamlined thought and activity.

As Others See Us . . . . .

Losing His Cunning?

Stratford Beacon Herald

The Financial Post says that one interpretation of Mr. King's indefinite public statements in respect of Canada's willingness to stand shoulder to shoulder with the Empire and with other democratic countries in the present emergency is that Mr. King thinks such an attitude is good politics. He is reported to have convinced himself that most Canadian voters are isolationist in their views and that the sort of side-stepping he did last week is therefore shrewd vote-catching.

We wonder if Mr. King may not be losing his political cunning.

In the Mail

Canada's Defense Crisis

Defense Stupidity

Editor, The Financial Post:

You are to be congratulated on your current campaign of unmasking the "holy one" who personifies the static stupidity of our Department of National Defense. Let us all hope that this political "ass in a lion's skin," who has all too long hidden behind the smugness of his blatant criticism of "peregrinating Imperialists," and floor-of-the-house threats to use bodily force on any member daring to question his propriety, will soon be replaced under pressure of public opinion by someone qualified for the job.

The conditions described in your issue of this week are almost incredible, even though supplemented by news in the dailies emanating from Camp Borden that 14 new tanks have arrived "from England," that excavations are "already" being made for an air force building, and that the contract for another building, tenders for which closed on July 10th, seven weeks ago, has not yet been awarded. These things make British Canadians tremble with fury, being as we are on the verge of another war that may well be expected to wipe out a large part of civilization.

Here we are at the mercy of a politically opportunist administration which has been fiddling and frittering while the actions of the more businesslike dictatorships have prepared them to massacre us. Many people wonder if the dilly-dallying head of our Government is going to seek a foreign haven during the next war as he did in the last, and then, if and when any of our boys are left to come marching back from France, he will come home again from the U.S.A.

A NON-PARTISAN,
Ingersoll, Ont.

Fearless Expose

Editor, The Financial Post:

May I congratulate you on your fearless expose of Canada's defense sham. Your scathing indictment of the present Government's total lack of any constructive defense policy doesn't make very pleasant reading, but in these critical days it is only proper that Canadians generally should realize the sorry facts. In the series of articles appearing in The Financial Post and its other publications, drawing attention to this matter The MacLean Publishing Company has rendered a national service of high merit.

We in Lindsay are in a peculiar position to appreciate the full extent to which the present Government have absolutely neglected the defense needs of this country—and are neglecting them at the present time, even with a world catastrophe expected almost hourly. For we have situated here a Dominion arsenal, erected during the last war at a cost in the neighborhood of $2 millions for the manufacture of small arms ammunition.

Despite the threatening situation in Europe during the past 18 months, nothing of a substantial nature has been done to put this publicly-owned plant into operation—or even to fit it for quick use in case of a national emergency. About 14 men are rolling brass for shell casings in one of its 12 units and cows from the county Old People's home graze peacefully over the ammunition dumps.

The major portion of the buildings have been denuded of machinery and jammed to the roof with all the useless junk belonging to the department of national defense which could be collected from Halifax to Vancouver.

Yet this is listed on the books of the department as the largest storehouse of military supplies in Canada.

* * *

In case of trouble, presumably our army would be outfitted with uniforms more than 20 years old. They would be equipped with the Ross rifles stored here, which were found to be unsuitable during the past war. They would be issued army razors that have been lying around here for 20 years and the artillery would be equipped with guns and gun carriages, horse drawn and wooden wheeled, the wheels of which are reportedly in such a state that they would fall apart if drawn at 10 miles an hour over the average country road. And our army in the field would be served by equally antiquated and obsolescent field kitchens.

Mr. King and his minister of defense, backed by the largest political following in Parliament in Canada's history have done absolutely nothing to place the country's defenses on a satisfactory basis. Now a situation has arisen where Mr. Mackenzie's "defense by headlines" won't do and where the people will have to learn the full extent to which they have been betrayed by those whom they have placed in high positions of public trust. It is also possible that in the event of war actually commencing it will be necessary to conscript man power, wealth and industry for national service in Canada—a move which would be very unpopular politically.

* * *

One possible solution to the situation is the formation of a national government in which neither Mackenzie King nor Ian Mackenzie would be members—a government headed by some one like Right Hon. Ernest Lapointe, and which could possibly include some provincial premiers who are not overly friendly to Mr. King.

Mr. King's whole background and record mark him as totally unfitted to head a wartime government in this country, while Ian Mackenzie is unquestionably the most incompetent defense minister we have ever had. The removal of both of them would seem to be an indispensable condition precedent to any satisfactory government reorganization on a national non-partisan basis at the present time.

R. JAMES GUNN,
Lindsay, Ont.

Stop Me If . . . .

Dentist—"Which tooth do you want extracted?"

Pullman Porter—"Lowah seben, mistah."

Week in Business

War Tension Grips Business Community

Attention of Buyers and Sellers Diverted from Details of Ordinary Trade — Domestic Conditions Generally Encouraging

Anxious crowds these days gathered in front of newspaper offices watching the bulletins or clustered around automobiles parked in the street with their radios going, show how interest has been diverted from ordinary business. The grocery traveller, the life insurance salesman and the purchasing agent of the big corporation alike find it hard to keep their mind on business details, when within a few hours the world may be at war. Buyers of what are usually called heavy goods, including household furniture, are moving warily.

On the other hand, some thrifty housewives, anticipating higher prices, if war comes, have been taking advantage of the low prices of fruits and vegetables to can an extra quantity. Some have also been laying in extra supplies of such commodities as sugar. This movement, however, does not seem to have become marked. The uncertainty of the situation has resulted in a great mixture of feeling. Hopes and fears mingle alternately. Generally speaking, it is felt that Canada with large quantities of raw materials to sell would profit financially from a war but on the other hand the probable loss of life prevents any great enthusiasm on that score.

* * * *

Were it not for the European situation, the business outlook would be encouraging. The western crop is turning out better than expected, which means that the purchasing power in the three Prairie Provinces will be substantial. This will, in due course, have its effect on trade and industry generally throughout the country. Retail trade in July is stated to have been better with department store sales showing an increase over 1938. In manufacturing, conditions have been variable. An important feature, says the Bank of Montreal in its monthly business summary, is the placing in Canada of armament orders from abroad. The mining industry continues active.

The automobile industry is still quiet but is looking forward to an active season. Foreign trade has been affected somewhat by advances in war risk insurance rates and also in the sharp drop in the pound. The Canadian dollar has so far maintained a position about midway between the pound and the United States dollar. The feeling now seems to be that peace or war the pound will stabilize at somewhat lower levels than it has seen in recent months. Influence of the United States on Canadian business and industry continues favorable with the recovery which set in there some months ago being maintained and extended.

Business Indicators

Current business active with D. B. S. index for week ended Aug. 19 slightly above previous week and last year.

Carloadings for week ended Aug. 19 above previous week and last year. Cumulative to date down 0.5%.

Railway earnings for third week in August above 1938. Cumulatives for year to date up 6.5% and 1.6% for C. N. R. and C. P. R. respectively.

Automobile sales show decline in both passenger car and truck divisions in July, in Canada. Totals for seven months down 10.1% and 11.9% respectively.

Sea fisheries catch and landed value in July higher than in 1938. Cumulatives up 24% and 2.4% respectively.

Nickel and copper production both up about 1.5% for first half of 1939.

Cigarette consumption increased in July. Total for seven months up 2.5%.

Life insurance sales up in July. Cumulative for seven months up 0.1%.

Newsprint exports lower in July, but cumulative to date well above year ago.

Trend of business shown by The Financial Post Index and following key factors, new items for the week being marked thus ▲.

	Aug. 19	Aug. 12	Aug. 5	July 28	Aug. 20/38
Commodity prices	71.9	72.1	72.3	72.1	75.8
Weekly index	108.3	107.7	108.3	108.0	107.7
	July	June	May	Apr.	Year Ago
Financial Post index	▲119.7	118.8	116.3	113.2	109.0
Retail index no. of sales	....	85.1	80.8	79.0	82.8
Dept. store "	....	72.0	75.2	75.7	74.4
Wholesale "	....	99.1	101.4	87.1	100.1
Country (% change fr. last yr.)	....	—7.7	—2.8	—12.6	....
Employment D.B.S. Index—	July 1	June 1	May 1	Apr. 1	Year Ago
All industries	....	113.1	106.2	104.9	111.9
Manufacturing	....	111.4	108.4	107.1	112.3
Wage earners, No. (000)	....	....	....	2,186	2,163
Living costs4	$16.93	$16.92	$17.02	$17.04	$17.45
			Jan. 1 to date		%
Railways—	1939	1938	1939	1938	Change
Carloadings, week (Aug. 19)	▲49,230	47,189	1,437,890	1,445,675	—0.5
C.N.R. gross, week (Aug. 21) $	▲3,574,723	3,370,391	113,722,240	106,785,191	+6.5
C.P.R. gross, week (Aug. 21) $	▲2,636,000	2,617,000	81,339,000	80,006,000	+1.6
C.P.R. net revenue (July). $	▲626,160	507,337	5,977,503	3,188,365	+87.4
C.N.R. net revenue (June) $	•12,095	•770,582	•505,417	•5,679,982	.....
Iron and Steel (July)—					
Pig iron production (tons)	59,587	51,238	356,108	455,396	—21.8
Steel ingots and castings prod. (tons)	111,149	83,927	691,290	754,267	—8.3
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (July)	▲5,820	6,187	60,228	67,012	—10.1
Factory output (July)	5,112	5,273	75,080	81,375	—7.7
Trucks and Buses:					
Domestic sales* (July)	▲2,057	2,067	15,545	17,637	—11.9
Factory output (July)	4,023	3,734	27,810	29,790	—6.0
Exports (July)	4,840	4,760	39,610	39,731	—0.3
Financing (July):					
Used $	3,669,707	3,748,860	21,709,955	23,452,665	—7.4
New $	2,391,448	2,719,524	17,846,861	22,945,114	—22.2
Construction—					
Contracts awarded (July) $	22,129,700	21,158,200	105,575,600	101,810,200	+3.7
Cement, bbls (May)	550,890	545,710	1,267,776	1,418,414	—10.6
Agriculture—					
Flour prod., bbls. (June)	1,187,875	969,207	6,822,351	5,511,129	+23.7
Flour exp., bbls. (July)	403,377	282,985	2,626,675	1,934,316	+35.7
Wheat exp., bus. (July)	13,780,554	7,248,115	65,094,021	33,031,978	+97.6
Cattle sales (July)	61,220	64,127	397,686	387,976	+2.5
Hog sales (July)	42,144	43,619	358,138	409,863	—12.6
Sea Fisheries: (July)‡					
Catch, cwts.	▲1,267,700	977,800	5,115,220	4,122,090	+24.0
Landed value	▲2,860,300	2,588,600	8,884,580	8,706,810	+2.0
Newsprint (tons)—					
Production (July)	227,630	202,546	1,568,694	1,462,417	+7.2
Exports (July)	▲200,173	200,836	1,415,291	1,304,122	+8.5
Mining and Oils—					
Coal prod., tons (June)	1,070,984	930,971	6,762,325	6,914,109	—2.2
Coal imports, tons (June)	1,371,651	1,617,744	3,865,946	4,977,731	—24.3
Gold prod., fine oz. (June)	▲436,783	393,211	2,492,445	2,220,070	+12.2
Nickel prod., lb. (June)	▲20,103,880	16,327,169	110,314,754	108,995,141	+1.2
Copper, prod., lb. (June)	▲54,581,869	48,489,958	296,468,599	292,048,917	+1.5
Crude oil prod., bbls. (June)	▲821,308	537,654	3,371,238	2,919,425	+15.4
Crude oil imp., bbls. (June)	4,437,800	3,931,500	14,191,314	13,451,208	+5.5
Electric Power Output (July)—					
Total monthly m.k.w.†	▲2,204,965	1,987,774	15,947,968	14,706,151	+8.4
Foreign Trade—					
Imports (June) $	63,709,402	58,946,698	321,079,319	336,692,235	—4.6
Exports (July) $	91,727,627	78,719,799	558,989,882	494,399,446	+13.0
Other Industrial Factors—					
Dressed lumber exp.:					
M. bd. ft. (July)	185,096	165,910	1,114,950	922,002	+20.9
Shoes, prod., pr. (June)	1,850,673	1,714,770	11,249,771	10,946,853	+2.7
Cotton imports, lb. (June)	15,309,000	9,546,000	53,564,000	64,106,000	—16.4
Raw rubber imp., lb. (June)	5,427,972	7,264,000	30,625,375	25,345,374	+20.8
Cigarette cons. (July) No.†	▲677,112	638,703	3,970,326	3,870,561	+2.5
Sugar manufactured, lb.§	85,837,830	86,266,450	387,788,743	370,140,908	+4.7
Finance—					
Bank debits (July)† $	▲2,376,528	2,466,370	17,509,832	17,051,439	+2.6
Bond sales (July) $	71,449,665	98,451,124	867,519,926	725,553,361	+19.5
Life insurance (July) $	▲32,244,000	30,635,000	224,787,000	224,467,000	+0.1

•D.B.S. All Canada figure comprising over 90% of the Canadian total.

†000's omitted. §For four weeks to July 15, 1939.

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

*D.B.S. All Canada figure comprising over 90% of the Canadian total.

Soo Line Revenues Higher Than Last Year

From Our Own Correspondent

MONTREAL.—Gross revenues of Minneapolis, St. Paul & S. S. Marie Railway (excluding Wisconsin Central Railway) for July, 1939, amounted to $1,280,887 against $1,111,983 in July, 1938.

For seven months ended July 31, 1939, revenues amounted to $7,416,230 against $6,988,030 in the first seven months of 1938.

Envelopes
for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

New Building

City of London, Ont., has awarded contract at $192,500 for construction of new museum and library building.

Interlake Tissue Mills Co., Toronto, has awarded contract for new warehouse and office unit at its Merritton, Ont., plant.

Kerr-Addison Gold Mines Ltd., Larder Lake, Ont., has awarded contract for construction of $40,000 change house.

Sudbury interests are planning construction of $200,000 six-story medical clinic and apartment building in the northern Ontario city.

Taylor Electric Manufacturing Co., London, Ont., has called for tenders for two-story addition to plant.

Dept. of National Defense has awarded contract at $223,350 for construction of Royal Canadian Air Force buildings at Camp Borden, Ont.

Dept. of Public Works has awarded contract to **Canadian Dredge and Dock Co.,** Toronto, for harbor improvements at Port Arthur, Ont., estimated to cost $400,000.

Masonite Co. of Canada, joint new enterprise of **Canadian International Paper Co.** and **Masonite Corp.** (U. S.), has awarded general superstructure contract for $200,000 plant at Gatineau, Que. **Dominion Bridge Co.** has subcontract for structural steel.

Reported by Engineering & Contract Record:

T. H. & B. Railway Co. is starting work immediately on erection of bridge over railway tracks at Dundurn St., Hamilton, Ont., with estimated cost of $100,000 shared by the Dominion Government (70%), the railway co. (15%), and city of Hamilton (15%).

F. W. Woolworth Co. is planning to build $50,000 store on Queen Mary Road, Montreal.

Louis Donolo, Montreal, will start work soon on $280,000 apartment house on Summerhill Ave.

Forest Hill Developments Ltd., Toronto, has let subcontracts for erection of $250,000 apartment house in Forest Hill Village, Toronto suburb.

Defense Orders Boosting Sales Of B.C. Lumber

U. K. Buying Reaches Peak Proportions This Year

SHIPPING IS SCARCE

From Our Own Correspondent

VANCOUVER. — Fluctuating exchange and difficulties surrounding the chartering of ocean tonnage is playing hob with British Columbia's lumber export industry just at a time when demand in the United Kingdom market is at its all-time peak.

"If we had the ships," one big lumber operator told The Financial Post, "we could load 20 cargoes this week in British Columbia ports. We have orders for close to 100 million feet of lumber in the British Isles alone."

Defense Buying

Never before has there been such a market for B.C. lumber in the United Kingdom. While the normal peace-time buying movement has slackened off it has been replaced by a rush of orders for government construction on a spectacular scale. While practically no actual munition orders have come to the Pacific coast from the British Government, lumber is playing an important part in the defense scheme overseas, which includes the building of camps, temporary civilian shelters, etc. The fact that at least one billion feet of lumber will be shipped to Britain this year at the present rate of export indicates the volume of the business being done.

War Would Cripple

If actual war should come, the lumber industry here would receive a crippling blow, just as it did in the last war. It would be far more serious this time, however, because the B.C. mills are today almost solely dependent on the United Kingdom for the bulk of their business. This is a development in the last two or three years by unparalleled demand for building expansion in the British Isles.

Deprived of the British market, the B.C. mills would have very little to fall back upon in the emergency. The United States is all but shut out by high tariffs despite minor concessions made in the last trade agreement. Prairie and eastern demand has been inconsequential compared with the great export orders. The Orient has been eliminated by war conditions, and if a European conflict should come the concentration of shipping on more vital commodities would upset recent promising trade with Australia.

Prices Are Low

Apart from the virtual monopoly of United Kingdom orders, the lumber industry here still suffers from low prices due to intense competition not only among the large export organizations here, such as H. R. MacMillan Lumber Export Company and Seaboard Shipping Company, representing a dozen or so of the province's biggest export mills, but growing rivalry from the United States in a market that until a few months ago was exclusively B.C.'s so far as sales from this continent were concerned.

Protected in its own domestic market, American lumber is now being dumped in the British Isles, and the fact that last month 17 million feet of American lumber was shipped to the U.K. is an illustration of the headway being made in that connection. Earlier in the year the American mills considered themselves lucky if they sold 5,000,000 in that territory.

C.P.R. Return Higher in July

Both Gross and Net Income Ahead of Last Year

From Our Own Correspondent

MONTREAL.—Further gain in net operating income is reported by the Canadian Pacific Railway. During July gross income moved up to $11.6 millions, an increase of nearly $600,000 over the returns for the same month last year. Operating expenses also moved ahead, but net income at $626,160 was $118,823 higher than a year ago.

Gross income for the current year to the end of July totalled $73.5 millions. This was slightly more than $1 million greater than for the like period of 1938. Operating expenses, on the other hand, were reduced, leaving net income at just under $6 millions, as against less than $3.2 millions for the first seven months of last year.

Comparative returns follow:

	July 1939 $	July 1938 $
Gross earnings	11,657,403	11,090,025
Working exps.	11,031,243	10,582,688
Net earnings	626,160	507,337
Seven Months Ended July		
Gross earnings	73,465,247	72,377,554
Net earnings	5,977,503	3,188,365

Dosco Pig Iron Output Up 77%

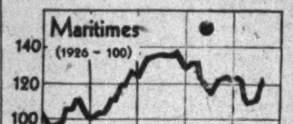
From Our Own Correspondent

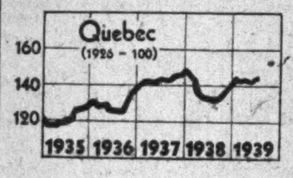
MONTREAL.—Pig iron production at the Sydney plant of Dominion Steel & Coal Corp. during July was 77% greater than a year ago. In that month the company produced 23,000 tons, as against 24,000 the month before and 13,000 in July, 1938.

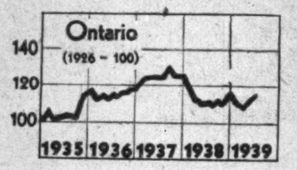
Returns for the first four months were under those reported a year ago, pig iron production in the last quarter amounted to 72,000 tons as against 61,000 tons for the same quarter last year.

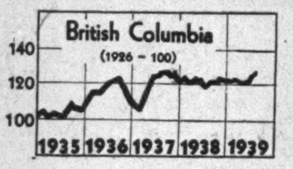
Summer Business Improved Throughout Most of Canada

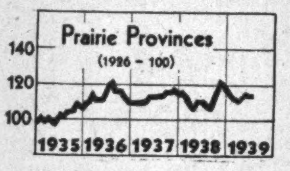
Business in July showed improvement over June in four of the five economic areas. The exception was the Prairie Provinces, which remained unchanged. One of the features of the month's showing was the gain in employment in all areas except Ontario, where the index was unchanged. Construction contracts awarded also were higher in all areas except Ontario, where a considerable decline occurred. Life insurance sales showed increases except in Quebec.











Trend of Business in Economic Areas

	July, 1939	Change from July, 1938 %	June, 1939
Maritimes:			
Construct. contracts .. $	4,559,000	+104.8	1,334,000
Bldg. permits .. $	292,000	+50.5	620,000
Life ins. sales .... $ 000	2,448	+13.9	2,488
Bank debits .. $ 000,000	56.4	+0.5	53.2
Elec. pwr. ... kw.h. 000	75,436	+7.5	76,803
Employment*	115.6	+2.7	115.9
Shipping .... tons	374,864	—0.4	426,425
Exports .... $	6,516,783	+24.3	6,434,883
Index	123.3	+1.8	114.9
Quebec:			
Construct. contracts .. $	6,780,000	—22.3	9,276,000
Bldg. permits .... $	1,972,000	+87.1	2,134,000
Life ins. sales ... $ 000	8,012	+1.8	9,416
Bank debits .. $ 000,000	802	—7.7	932
Elec. pwr. ... kw.h. 000	911,721	+14.6	924,958
Employment*	126.4	+7.3	124.0
Newsprint produc. tons	227,630	+12.4	240,545
Imports, raw cotton, lb.	9,418,911	+24.1	15,309,185
Index	143.9	+9.8	142.1
Ontario:			
Construct. contracts .. $	7,233,000	+7.4	12,452,000
Bldg. permits .... $	2,485,000	+3.7	2,677,000
Life ins. sales .... $ 000	14,616	+10.6	16,344
Bank debits .. $ 000,000	998	—8.2	1,28[illegible]
Elec. pwr. ... kw.h. 000	740,296	+12.9	762,901
Employment*	114.2	+2.7	114.7
Livestock slaughterings*	135.8	+13.1	127.2
Steel production .. tons	111,149	+32.4	107,902
Auto. production .. No.	9,135	+1.4	14,515
Index	115.8	+4.9	114.5
Prairie Provinces:			
Construct. contracts .. $	1,898,000	+7.4	1,437,000
Bldg. permits .... $	840,000	+14.4	1,333,000
Life ins. sales $ 000	4,385	+11.1	4,499
Bank debits .. $ 000,000	351	+19.4	389
Elec. pwr. .. kw.h. 000	151,318	+2.7	158,363
Employment*	109.4	+4.3	104.0
Wheat receipts .... bu.	7,675,000	+158.2	5,556,000
Wheat prices**	55/3	—43.7	61/6
Index	114.8	+6.4	114.8
British Columbia:			
Construct. contracts .. $	1,660,000	—2.2	698,000
Bldg. permits .... $	946,000	—45.5	1,068,000
Life ins. sales .... $ 000	2,457	—5.2	2,668
Bank debits .. $ 000,000	168.5	+4.9	175.9
Elec. pwr. ... kw.h. 000	163,226	+2.4	159,243
Employment*	117.0	+9.3	111.0
Exports .... $	11,272,416	+33.0	11,482,468
Shipping, Vancouver tons	1,176,069	+3.2	1,029,271
Index	127.1	+4.3	124.4

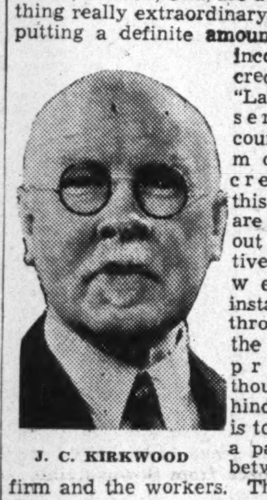
*1926=100.

**Cents and eighths of a cent per bushel.

Keeping Posted

Veteran Business Commentator Shares His Wide Reading With Businessmen

By J. C. KIRKWOOD


J. C. KIRKWOOD

Scott & McHale, shoe manufacturers, London, Ont., are doing something really extraordinary—they are putting a definite amount of sales income to the credit of a "Labor Reserve Account." The moneys credited to this account are then paid out to operatives in 52 weekly installments throughout the year. The primary thought behind this plan is to establish a partnership between the firm and the workers. The plan is designed:

To give operators a feeling of security.

To relieve them of many worries and anxieties attendant upon uncertain employment.

To give the management a sense of satisfaction in the conduct of their business, established on a basis of mutual confidence.

To place a guarantee in the hands of dealers and customers that workers are paid adequately and are fairly treated.

The administration of this labor reserve account is placed exclusively in the hands of an administrative committee elected from the ranks of the workers by the workers themselves and responsible only to the workers.

Details of this Scott & McHale plan are given in the August issue of Canadian Machinery and Manufacturing News.

* * *

New Forests

E. C. Drury, former premier of Ontario, contributes an article to Maclean's Magazine for September 1 entitled "Return of the Forests." The article is concerned with reforestation in Ontario, and tells of the man-made forests at Midhurst, near Barrie; the Simcoe County Forest four miles north of Midhurst; the Hendrie Forest; the Orr Lake Forest; a forest in Tossoronto Township; and several others. Simcoe County, says Mr. Drury, undoubtedly leads the way in municipal reforestation, and Ontario leads the way in all Canada. Twelve Ontario counties own forests, with a total of 18,227 acres. Besides these county forests there are 24 other municipal forests of more than 50 acres each, and 81 demonstration plots of less than 50 acres. The province itself has planted nearly 15,000 acres.

* * *

Store Co-operation

Two separately-owned retail stores in Saint John, N.B., are working hand-in-glove. They are on opposite sides of the street. J. W. Davidson sells groceries, meats and fish, and Percy Garred sells fruits, candy and ice cream. These two stores are linked in both advertising and delivery. Their joint slogan is, "Bargains on each side of the street for your convenience." They do their newspaper and handbill advertising together, and each store displays items sold by the other. The same motor delivery does for both stores.

If Mr. Davidson has an order for something not handled by him but carried by his ally, he gets it from him, and reciprocally Mr. Garred does the same. The story of this friendly relationship as told in the August 15 issue of Canadian Grocer suggests how non-competitive neighbor stores can work together for mutual advantage.

* * *

Deplore Lack of Records

J. N. C. Hill, sales manager, Personal Products Ltd., Montreal, was a speaker at the recent annual convention of the Canadian Pharmaceutical Association held in Halifax, and I was much interested in reading what he said as reported in Drug Merchandising—particularly in regard to the accounting practices of retail druggists. "Too few druggists," said Mr. Hill, "keep records which will give them a true picture of their business." This comment of his squares with my own observations and knowledge.

Over a long period I have had contact with retailers in both Canada and England, and have constantly questioned them in regard to their knowledge of the arithmetical phases of their individual businesses. Never has any retailer questioned by me been able to give me quickly and truly answers to such questions as these: How many times must your annual sales be of (1) your total operating costs; (2) your total annual wages; (3) your total annual rent; (4) your employed capital; (5) your average inventory? How many sales transactions must you have daily, in respect of each month, having regard for the seasonal character of your business, and what is the amount of your average sales transaction?

* * *

New Industries Since 1900

Quite fittingly the year 1900 saw the beginning of a new era—a new era in industry, art, science, invention. It is said, with the authority of men of knowledge, that about one-third of the persons employed today are at work on jobs that did not exist 40 years ago.

Here's a partial list of businesses which were non-existent at the beginning of this century: advertising agencies, air-conditioning contractors, airports, amplifiers, automobile dealers, apartment houses, batteries, beauty shops, bus lines, calculating machines, cameras, cleaners, cash registers, chiropractors, cosmetics, delicatessens, diaper supply, dictating machines, electric appliances, employment agencies, exterminators, five-and-ten stores, garages, gas stations, golf supplies, insulation, laundries, mimeographing, motion pictures, motor trucks, motorcycles, oil burners, outboard motors, osteopaths, phonographs, radio dealers and service, reducing treatments, gas and electric refrigeration, soda fountain supplies, taxicabs, tire dealers, towel service, tractors, trucking, typewriters, vacuum cleaners, washing machines, X-ray laboratories.

This list is perceptibly deficient, yet it is suggestive.

LEVY BROS.
Announce
A COMPLETE SHOWING OF NEW FALL MATERIALS FOR
SUITS and OVERCOATS

Like the intimacy between two good friends is the relationship between fine tailoring and smart fabrics. Who can analyze either one? In clothes, it is perhaps wiser to admire the result and call it Style! When a suit or overcoat has a combination of LEVY BROS. skillful tailoring and carefully selected fabrics, the result is attired perfection.

See the complete and varied selection.

Come in and make your Choice.

Levy Bros.
69 WEST KING STREET,
TORONTO.

Power Output Moves Ahead

Central Stations' Index of Output at Record Level in July

From Our Own Correspondent

MONTREAL. — Central electric stations of Canada produced 2,205 million kw.h. during July, according to the Dominion Bureau of Statistics. This compares with 1,988 million kw.h. in the same month last year and with 2,245 million kw.h. in June, 1939.

All five economic areas shared the increased production. The largest gain was reported by Quebec, though the other areas reported healthy advances.

Gains Were General

Particulars of production by economic areas follows:

(Thousands of Kilowatt Hours)

	July 1939	July 1938
Maritimes	76,934	71,313
Quebec	1,187,733	1,030,002
Ontario	625,633	579,540
Prairies	149,778	145,948
British Columbia	164,887	160,971
Total	2,204,965	1,987,774

Use More Power

Consumption of firm power, computed by deducting from total output exports and deliveries to electric boilers, amounted to 1,586 million kw.h. compared with 1,466 million kw.h. in July last year.

After adjustment for seasonal variation the index number rose to a new high at 212.78; the previous high index number was 212.60 for June, 1939.

Consumption of firm power by economic areas is set out in the following table:

(Thousands of Kilowatt Hours)

	July 1939	July 1938
Maritimes	75,436	70,197
Quebec	911,721	795,747
Ontario	740,291	655,679
Prairies	151,318	147,383
British Columbia	163,226	159,421
Total	2,041,992	1,828,426

More to Boilers

Deliveries to electric boilers totalled 455,716,000 kw.h. This represents a decline of 40 million kw.h. from the previous month, but was over 93 million kw.h. greater than in July, 1938.

Exports to the United States went from 159,349,000 kw.h. in July 1938 to 162,973,000 kw.h. for the same month this year.

Dominion Coal Co. Output Up Sharply

From Our Own Correspondent

MONTREAL.—July output of Dominion Coal Co.'s mines, including Cape Breton and Springhill, ran slightly ahead of the June level at 431,691 tons and showed the sharpest gain to date over the corresponding month of last year. The increase over July, 1938, amounted to 136,324 tons, or 46%. This was the first time in the current year that cumulative production ran ahead of the like period in 1938.

A CHECK-UP OF YOUR INVESTMENTS

A requisite of a sound investment portfolio is a periodic analysis by a competent investment consultant. This service may be obtained without obligation at any of our offices.

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SALESGIRL
TELEPHONE GIRL

BOTH SAY:
The Customer is always Right!

Your telephone company has always tried to see telephone problems through *your* eyes. Like the department store that coined the phrase, it approaches its problems on the assumption that "the customer is always right", and develops its service to that end. Particular care is taken, therefore, in selecting our telephone staff which now totals over 9,700 men and women, handling some 5,600,000 calls a day. Experience teaches. Thus, this staff's effectiveness grows each year as it gains an ever-clearer insight into the Company's objectives and policies. The telephone people *want* to serve you. Your viewpoint is their constant concern.

THE BELL TELEPHONE COMPANY OF CANADA

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

The Week's Quotations

WEEK ENDING AUGUST 28

Range 1939 High	Low	Div R'te $	Aug26 Y'ld %		Sales	Last Aug. 21	Week end. Aug. 28 H	L	Cl'se
				A					
2.87	.50	.	...	Abitibi	5925	.70	.80	.50	.80
21½	3½	.	...	Do. pref. 6%	3295	4½	5½	3½	4¾
21	4	.	...	Do. pref. 7%	10	7	4	4	4
4½	3½	30c	7	Acadia Sugar	100	4½	4½	4½	4½
5¾	5¾	30c	5.2	Do. pref.	....	(4 bid — asked)			
5	2	.	...	Acme Glove	25	3	2	2	2
*82	60		...	Do. pref.	....	(— bid 65 asked)			
10½	9½	60+20c	8	Agnew Surp.	80	9¾	9½	9½	9½
111	104	7	6.7	Do. pref.	10	109½	105	105	105
3½	1½	.	...	Alta. Pac. Gr.	15	2½	2¾	2½	2½
24	13	.	...	Do. pref.	....	(14 bid 20 asked)			
14½	6¾	.	...	Algoma Steel	395	10	9½	8¾	9
74	51	.	...	Do. pref.	....	(— bid 74 asked)			
140	112	25c+10%	...	Aluminum	35	114	115	115	115
112½	111½	6	5.4	Do. pref.	....	110½ bid 112½ asked			
2.50	.80	.	...	Amal. Electric	....	(— bid 1.00 asked)			
30	29	.	...	Do. pref.	....	(— bid 28½ asked)			
22½	22½	60c	2.7	Amer. Cyn. B.	....	26¾ bid 28½ asked			
50	47	2.75	5.7	Ang. Can. Tel. p	5	48½	48	48	48
28½	18¾	60+30c	4.3	Asbestos	4002	20¾	21	18¾	20
17	14½	80+45c	7.7	Assoc. Brew.	1295	16½	16½	15½	15¾
115	109¾	7	6.2	Do. pref.	10	112½	112	112	112
*6½	6½		...	Assoc. T. & T.A.	....	(— bid — asked)			
31	29	1.26	...	Do. pref.	....	(— bid 30 asked)			
102	100¾	5.50	5.5	Ault & Wiborg.	....	(— bid — asked)			
				B					
168	162	8	4.9	Bk. Can. Nat.	71	166	166	163	163
222	200½	8	3.8	Bk. Montreal	545	214	213	200½	205
310	300	12	3.9	Bk. N. Scotia	117	301	304	300	303
255	239	10	3.9	Bk. Toronto	162	252	252	252	252
5	4½	.	...	Barcelona	....	(4 bid — asked)			
7½	4	.	...	Barker's Bread	200	7½	5½	5	5
39½	20	2.50	8.9	Do. pref.	25	34	28	28	28
8¾	4¾	25c	...	Bathurst Pr.	1260	5½	5½	4¾	5½
3½	¾	.	...	Do. (B)	25	2	1¾	1¾	1¾
1.50	.50	.	...	Bawlf Grain	400	1.00	1.00	1.00	1.00
17	15	.	...	Do. pref.	30	15	15	15	15
3.00	1.50	.	...	Beath & Sons	....	1.50 bid 2.37 asked			
8½	4½	.	...	Beatty Bros. A.	....	(3 bid 6 asked)			
105	99½	6	5.9	Do. pref.	15	102	101	101	101
97	90	7	7.8	Do. 2nd pref.	....	(— bid 95 asked)			
5½	2	.	...	Beauharnois	5322	4	4	3¾	4
95	90	4	4.4	Belding Cort.	....	(— bid 100 asked)			
141	131	7	5	Do. pref.	35	139	140	140	140
178	165	8	4.7	Bell Telephone	1853	172½	172½	166	169
8	6	62½c	..	Biltmore Hats	100	7	7½	7½	7½
5	3½	.	...	Blue Ribbon	....	(3½ bid 5 asked)			
32½	25	2.50	7.8	Do. pref.	....	(28½ bid 31 asked)			
24½	18	1.30	6.6	Brant. Cord. pf.	....	(17¾ bid 20 asked)			
12¾	6¾	.	...	Brazilian Tr.	11664	7¾	7½	6¾	7
5¾	3½	50+25c	...	Brew. & Distil.	195	4	4½	4	4
6½	6½	30c	4.8	Bright, T. G.	....	(4½ bid 11 asked)			
80	80	6	7.5	Do. pref.	....	(75½ bid 90 asked)			
23½	19	1	4.8	Brit. Amer. Oil	13942	20	20½	19	20½
18½	11	.	...	B. C. Packers	121	16	15¾	14½	15
28½	21½	2	7.5	B. C. Power (A)	363	27¾	27½	25	25
3	2	.	...	Do. (B)	....	2½ bid 3½ asked			
4½	2	.	...	Bruck S. Mills	465	2¾	2½	2	2½
19	14	70+10c	5.2	Building Prod.	1425	16½	16¾	15	16½
12½	9½	60c	5.8	Burlington Steel	830	9½	10½	9½	10½
				C					
82½	70	.	...	Calgary Power	60	73	70	70	70
99½	93¾	6	6.1	Do. pref.	....	(— bid 99½ asked)			
5½	2	.	...	Canada Bread	215	4	4½	3½	4½
105½	97½	5	5	Do. pref.	15	105	100	100	100
60	49	2.50+75c▲	4	Do. pref. B	....	(55 bid 63 asked)			
5	3¾	40c	10	Canada Bud	70	4	4	3¾	4
10¾	5¾	.	...	Canada Cement	1709	7	7	5¾	6¾
102½	88	5	5.5	Do. pref.	301	93	94	88	88
105	101	1.55	...	Canada Cycle, p	20	104½	102	102	102
27½	25½	1.50	5.5	C. & D. Sugar	1675	26¾	27½	26	26¾
b20¾	12	50c	2.9	Canada Dry	9800	16½	17½	15	16¾

Range 1939 High	Low	Div R'te $	Aug26 Y'ld %		Sales	Last Aug. 21	Week end. Aug. 28 H	L	Cl'se
16½	11	80c	5.8	Gatineau Pwr.	991	14½	14½	13	13½
95	87	5	5.6	Do. pref.	348	94½	93	88	88
6	2¾	.	...	Do. Rights	400	5½	4½	3½	3¾
8	4½	.	...	Gen. St. Wares	2335	5	5½	4½	5
83	55	1.75	...	Do. pref.	15	65	63	63	63
78	66	2.50+5	10.8	Goodyear Tire	57	73	73	70	70
58½	53	2.50	4.6	Do. pref.	332	55	55	53	53
9	5	.	...	Gt. Lakes Pap.	....	(— bid 6 asked)			
15	12	.	...	Do. pref.	....	(— bid 12 asked)			
7	2½	.	...	Do. Vot. Tr. c	25	3	3	3	3
17	10½	.	...	Do. Vot. Tr. p	50	12	11½	11	11
1.25	.60	.	...	Gt. W. Saddlery	....	.60 bid 1.25 asked			

Range 1939 High	Low	Div R'te $	Aug26 Y'ld %		Sales	Last Aug. 21	Week end. Aug. 28 H	L	Cl'se
				T, U, V					
13	10	80c	7.3	Tamblyn	530	10	12	10	10
54	52	2.50	4.6	Do. pref.	....	(52½ bid 53 asked)			
4	2½	.	...	Thayers	....	(2 bid — asked)			
32½	30	3.50	...	Do. pref.	....	(31¾ bid 36 asked)			
*.25	.25	.	...	Thrift Stores	....	(— bid 1.00 asked)			
2½	2½	.	...	Do. pref.	....	(— bid 3½ asked)			
12½	8½	60c	6	Tip Top Tailors	....	(— bid 9½ asked)			
109	104½	7	6.7	Do. pref.	7	107	105	105	105
.75	.50	.	...	Tooke Bros.	....	(.80 bid 1.00 asked)			
7	5	.	...	Do. pref.	....	(6 bid 7 asked)			
17½	10	.	...	Tor. Elevators	185	15	14	12	12
46	41½	2.62½	5.9	Do. pref.	....	(43¾ bid 45 asked)			
90	79	4	5	Tor. Gen. Tr.	....	(80 bid 84 asked)			
113	100	6	6	Toronto Mtge.	....	(100 bid 106 asked)			
170	153	7	4.2	Tuckett Tob. p.	6	167	167	167	167
3	2	.	...	Twin City	222	2¾	2½	2½	2½
15	11	80+20c	7.7	Union Gas	3321	13½	13¾	12½	12¾
14	12	60+15c	5	Un. Amuse. A.	40	14	14½	14½	14½
14	14	60+15c	5	Do. (B)	5	14	14	14	14
1.05	.90	.	...	Un. Cigar-W.	....	(— bid — asked)			
.75	.50	.	...	United Distill	....	(.50 bid .70 asked)			
38	25	3	9.7	United Fuel, pf.	140	32	32	30	30
5	2¾	.	...	Do. (B)	200	2¾	2¾	2¾	2¾
6½	4½	.	...	United Secs.	....	(— bid 5½ asked)			
7	3	.	...	United Steel	4730	3½	3¾	3	3¾
3½	2	.	...	Viau Bisc.	50	3	3	3	3
55½	47	5	9.8	Do. pref	....	(50 bid — asked)			
				W, Y, Z					
18	12	1	6.4	Wabasso Cot.	20	16½	15½	15½	15½
51	37	4	10	Walker-Good	4886	40½	41	37	38
20¾	19	1	5.2	Do. pref.	1210	20	20½	19½	19½
1.40	.70	.	...	Walkerville Br.	1035	1.00	.90	.70	.90
*125	123½	7	5.6	W. Koot. Pr. p.	....	(126 bid — asked)			
3½	2	.	...	West. C. Flour	....	(2¾ bid 3¾ asked)			
37	15	.	...	Do. pref.	60	30	25½	25	25
50	45	3	6.4	West Grocers	....	(— bid 55 asked)			
114	103½	7	6.7	Do. pref.	15	105	105	105	105
11	10½	50c	4.6	W'minster Pap.	....	(10 bid — asked)			
12½	9¾	80c	7.6	Weston Ltd.	1690	10½	10½	9¾	10
95½	85	5	5.6	Do. pref.	65	94	94	90	90
18½	17	1	5.9	Wilsils	115	18½	17	17	17
2.25	1.00	.	...	Winnipeg El. A.	1060	1.25	1.25	1.00	1.00
2.00	1.00	.	...	Do. (B)	442	1.40	1.40	1.00	1.00
11	6¾	.	...	Do. pref.	....	(— bid 7¾ asked)			
67	60	7	...	Wood, A. & J. p	5	60	60	60	60
25	17½	.	...	Woods Mfg., pf.	....	(— bid 25 asked)			
4½	4	.	...	York Knitting	....	(4 bid 5 asked)			
100	100	7	7	Do. 1st pref.	....	(1.00 Jan. 4)			
9	7	.	...	Zellers	20	8½	8	8	8
25	22	1.50	6.7	Do. pref.	350	24½	24	22½	22½

Quotations: *1938. *1937.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1939.
● Initial. † Interim.

Mining Stocks

Week Ending August 28.

Par Val.	Range 1939 High	Low	Company	Sales	Close Aug. 21 (or last)	High for week	Low for week	Close Aug. 28
			A					
1	.04½	.01½	Afton	9,000	.02	.02	.01½	.02
No	.52	.25	Aldermac	16,505	.27	.29	.25	.28
1	.01½	.00½	Alexandria	......	(.00½ bid .01½ asked)			
1	.17	.05	Amm. Gold	15,700	.05½	.05½	.05	.05
No	3.25	2.20	Anglo-Huronian	3,632	2.20	2.30	2.25	2.30
No	.02½	.01	Arno	......	(.01 bid .03 asked)			
1	.17½	.08	Arntfield	31,300	.10½	.10½	.08	.09½
1	.10½	.05	Ashley	3,000	.06	.05½	.05	.05
1	.06½	.01	Astoria Rouyn	......	(.03 bid .04 asked)			
1	2.87	1.75	Aunor Gold	110,189	1.99	2.13	1.75	1.95
			B					
1	.23	.06	Bagamac	......	(.07 bid .13 asked)			
1	.38	.17	Bankfield	34,310	.21	.22	.18	.21
No	.30	.10	Base Metals	5,000	.14½	.16	.10½	.11½
1	.32	.06	Bear Exploration	8,000	.07	.07½	.06	.06½
No	1.40	1.00	Beattie Gold	9,900	1.09	1.15	1.03	1.10
1	.14	.07½	Beaufor	14,900	.12	.12	.09	.11
1	.30	.14	Bidgood Kirk	16,300	.15	.15	.14	.15
1	.35	.08	Big Missouri	500	.11½	.10½	.10½	.10½
1	.22	.08	Bobjo	31,200	.08½	.09	.08	.08½
1	.12	.04	Bouscadillac G.M.	3,000	.04½	.04	.04	.04
No	12.50	9.12	Bralorne	5,290	10.00	10.12	9.12	9.75
1	.08	.04	Brazil Gold	......	(.05 bid .06 asked)			
1	.03½	.01	Brett Trethewey	2,000	.01½	.01	.01	.01
1	.75	.25	Broulan Porc.	45,990	.32	.34	.25	.30½
1	15.50	7.50	Buffalo Ankerite	4,745	8.50	8.50	7.50	7.75
No	.05	.02	Buffalo Can.	4,500	.02½	.02½	.02	.02½
5	28.00	20.00	Bulolo Gold	70	23.00	23.00	20.00	20.00
No	.11½	.05	Bunker Hill	......	(.04½ bid .06 asked)			
			C					
No	1.03	.58	Can. Malartic	12,850	.60	.62	.58	.59
1	.03½	.01	Capital Rouyn	100	.01½	.01	.01	.01
1	2.40	1.78	Cariboo Gold	1,500	2.00	2.02	1.78	2.00
1	.06	.02	Cartier Malartic	5,000	.02½	.02½	.02	.02
1	1.05	.65	Castle Trethewey	9,650	.76	.76	.75	.75
1	.25½	.14	Cen. Cadillac	16,900	.15	.18	.14	.17
1	2.75	2.00	Cen. Patricia	17,170	2.25	2.30	2.00	2.09
1	.14½	.05	Cen. Porcupine	15,700	.09	.09	.09	.09
1	.25	.15	Century Mining	5,100	.19	.18	.15	.16½
1	1.39	.71	Chesterville	30,550	.88	.89	.71	.85
No	.88	.45	Chromium	5,300	.45	.50	.45	.50
5	2.50	1.50	Coast Copper	125	1.75	1.75	1.50	1.50
5	2.00	1.25	Coniagas	100	1.60	1.25	1.25	1.25
No	2.34	1.26	Coniaurum	18,435	1.41	1.55	1.33	1.41
1	.30	.10	Con. Chibougamau	6,300	.11	.15	.11	.11½
5	61.25	37.50	Cons. Smelters	6,915	41.00	44.00	38.00	41.00
			D, E					
1	.08½	.03	Darkwater	1,600	.04½	.04½	.04	.04
1	.16	.08	Denison Nickel	500	.09	.08	.08	.08
No	34.25	29.00	Dome Mines	6,989	32.50	32.50	30.00	32.00
1	.03½	.02	Dom. Explorers	......	(.01¾ bid .02 asked)			
1	.09½	.04½	Dorval Siscoe	600	.05	.05	.05	.05
1	.08	.02	Duparquet	30,100	.02½	.02½	.02½	.02½
1	.27	.10	Duquesne	11,800	.10	.11½	.10	.11
1	2.85	2.07	East Malartic	119,980	2.35	2.50	2.15	2.40
1	2.36	.75	Eldorado	46,455	.85	.88	.75	.83
			F, G					
No	6.00	4.50	Falconbridge	9,255	5.30	5.40	5.00	5.15
1	.08½	.03	Federal	27,600	.03½	.03½	.03	.03
1	.17	.03	Fernland	3,500	.03½	.05	.03½	.05
No	.77	.15	Francoeur Gold	93,100	.32	.40	.27	.35
1	.11½	.04	Gillies Lake	22,000	.05	.06½	.05	.06½
1	.05	.01½	Glenora	2,000	.02	.02	.02	.02
No	.49	.20	God's Lake	105,800	.32	.42	.31	.39½
1	.28	.15	Goldale	6,300	.16½	.18	.16	.16
50c.	.63	.29	Gold Belt	......	(.28 bid .... asked)			
1	.13½	.04½	Gold Eagle	32,600	.10½	.10½	.08½	.08½
1	.03½	.01½	Goodfish	8,500	.01½	.01½	.01½	.01½
1	.04	.02	Graham Bosquet	3,100	.02½	.02½	.02	.02
1	.13½	.02½	Granada Gold	1,000	.02½	.02½	.02½	.02½
No	.07	.04½	Grandora	1,000	.05½	.04½	.04½	.04½
1	.02½	.02	Grull Wihksne	......	(.01¾ bid .04 asked)			
1	.64	.40	Gunnar Gold	15,000	.44	.45	.40	.45
			H, I, J					
1	.03½	.01	Halcrow Swayze	500	.01½	.01½	.01½	.01½
1	.08	.02	Halliwell Gold	7,060	.02½	.02½	.02½	.02½
1	1.95	.72	Hard Rock	47,400	.88	.92	.72	.89
1	.10	.06	Harker	3,300	.07½	.07½	.07	.07
1	1.58	.59	Hedley Mascot	1,500	.75	.75	.59	.59
5	15.50	13.25	Hollinger	12,783	14.25	15.00	13.25	14.50
1	.37	.24	Howey Gold	25,100	.30½	.31	.29½	.30
No	35.50	25.50	Hudson Bay	10,953	32.75	33.00	29.63	32.25
1	.45	.20	Inspiration	6,250	.26	.27	.20	.20
1	9.25	7.00	Inter. Mining	......	(7.00 Apr. 20)			
No	56.37	42.75	Int. Nickel	22,910	46.50	48.50	44.75	48.00
50c.	1.26	.90	Island Mountain	500	1.02	1.00	.90	.90
1	.11½	.03	Jacola	2,000	.04½	.04½	.03½	.03½
1	.34	.12	Jack Waite	1,500	.21	.21	.20	.20
1	.18	.10	Jellicoe	1,474	.15	.15	.10	.15
1	.11	.03	J. M. Cons. Gold	3,200	.03½	.03½	.03	.03
1	.06½	.03	Joliet Quebec	6,500	.04	.03½	.03	.03
			K, L					
1	2.14	1.47	Kerr Addison	165,700	1.82	1.92	1.61	1.80
1	.65	.30	Kerr Lake	......	(.35 bid .75 asked)			
1	.10	.04	Kirk. Gold Rand.	......	(.03 bid .08 asked)			
1	.73	.20	Kirk. Hud. Bay	6,600	.25	.25	.20	.20
1	1.75	1.15	Kirkland Lake	63,068	1.27	1.33	1.15	1.25
1	.13½	.07	Kirk. Townsite	200	.08	.07	.07	.07
1	50.50	32.75	Lake Shore	5,372	38.63	39.87	35.75	38.25
1	7.30	5.50	Lamaque Gold	8,789	6.45	6.75	6.25	6.40
1	.54	.14½	Lapa Cadillac	17,050	.15½	.16	.14½	.15
1	.85	.59	Lava Cap	4,300	.72	.75	.73	.73
1	.08½	.02½	Lebel Oro	8,500	.03	.03	.02½	.03
1	.90	.63	Leitch Gold	35,180	.73	.78	.70	.72
No	3.60	2.40	Little Long Lac	17,865	2.75	2.90	2.40	2.50
			M					
1	5.90	3.85	Macassa	19,330	4.30	4.40	3.90	4.20
1	3.20	1.35	MacLeod Cockshutt	29,193	1.65	1.70	1.35	1.53
1	.55	.29	Madsen Red Lake	23,600	.34	.33	.29	.32
1	.75	.43	Malartic Gold	31,950	.50	.58	.45	.48
No	.17	.08	Mandy	300	.10	.10	.10	.10
No	.02½	.00¾	Man. & Eastern	4,500	.01½	.01	.01	.01
1	.07	.02½	Maralgo	500	.03	.03	.03	.03
5	59.63	49.75	McIntyre	64,107	54.50	56.25	53.00	55.50
1	1.38	1.00	McKenzie R. L.	20,707	1.17	1.19	1.08	1.14
1	.20½	.06	McVittie Graham	6,200	.12	.12	.12	.12
No	.75	.35	McWatters	14,500	.43	.46	.35	.41½
5	.35	.30	Mentor Exploration	......	(.31 May 17)			
No	2.05	1.00	Mining Corp.	2,381	1.11	1.18	1.00	1.10
No	.03	.01½	Minto Mines	500	.02	.02	.02	.02
1	1.45	.81	Moneta	14,650	.95	.95	.81	.85
1	.20	.05½	Morris Kirk	34,800	.06	.07½	.05½	.07½
1	.02½	.01	Murphy	......	(.01 bid .01½ asked)			
			N, O					
1	.51½	.12	Naybob	44,200	.15	.14½	.12	.13
No	.09	.02½	Newbec	5,000	.02½	.02½	.02½	.02½
1	.25	.09	New Golden Rose	2,500	.12	.11	.10	.10
1	.60	.20	New True Fissure	12,100	.33	.36	.32	.35
5	1.80	1.25	Nipissing	550	1.30	1.32	1.25	1.25
No	84.00	70.00	Noranda	20,153	79.00	78.50	74.00	77.00
No	.60	.40	Nor. Canada	17,000	.54	.55	.44	.49
1	.06½	.03	Norgold	500	.03	.03	.03	.03
1	.70	.30	Normetals	3,504	.45	.45	.44	.45
1	9.50	8.00	Northern Empire	300	8.90	9.30	9.30	9.30
1	3.25	1.40	O'Brien	27,800	1.77	1.83	1.40	1.65
1	.53	.20	Omega	10,940	.25	.26	.20	.25
1	.52½	.18	Oro Plata	2,000	.20	.20	.18	.20
1	.14	.07	Osisko	......	(.07½ bid .... asked)			
			P, Q, R					
No	4.85	1.75	Pamour	25,738	1.91	1.91	1.75	1.80
1	.16	.03½	Pandora	9,000	.04	.04	.03½	.04
1	2.55	2.00	Pato Cons. G.	1,600	2.20	2.10	2.00	2.00
1	.07½	.03	Partanen Mal.	2,000	.03½	.03½	.03	.03
1	.07½	.02	Paulore	4,000	.02	.02½	.02	.02½
1	.02	.00½	Pawnee Kirk	......	(.01 bid .01½ asked)			
1	.61	.35	Paymaster	32,850	.39	.39½	.35	.38
1	1.95	1.17	Pend Oreille	12,510	1.25	1.30	1.17	1.29
1	2.05	1.45	Perron Gold	21,450	1.78	1.82	1.60	1.66
1	.01	.00½	Peterson Cobalt	......	(.00½ bid .01½ asked)			
1	5.60	4.00	Pickle Crow	17,409	4.20	4.30	4.00	4.15
1	2.70	2.25	Pioneer Gold B.C.	2,710	2.35	2.40	2.25	2.25
100	14.50	12.00	Placer Devel.	400	13.00	12.50	12.50	12.50
1	2.45	1.18	Powell Rouyn	17,550	1.59	1.70	1.51	1.68
1	2.40	1.40	Premier Gold	12,350	1.71	1.71	1.40	1.50
1	1.75	1.17	Preston E. Dome	71,100	1.38	1.43	1.30	1.40
No	.58	.40	Prospectors Air's.	......	(.... bid .55 asked)			
1	.65	.30	Quebec Gold	......	(.21 bid .40 asked)			
No	.15	.04	Quemont	......	(.... bid .15 asked)			
No	.09	.03	Red Crest	2,000	.03½	.03	.03	.03
1	.30	.20	Reeves Macdonald	......	(.20 Aug. 3)			
1	.56	.20	Reno Gold	4,525	.38	.40	.32	.37
1	.05½	.01	Reward	15,100	.01	.01½	.01	.01
1	.01½	.00¾	Robb Montbray	......	(.00¾ bid .01 asked)			
1	.11½	.04½	Roche Long Lac	4,500	.04½	.06	.05	.05
			S					
1	2.03	1.18	San Antonio	37,813	1.63	1.70	1.50	1.57
1	.17	.10	Sand River	2,900	.10	.10	.10	.10
1	.51	.23	Senator Rouyn	12,600	.30	.32	.23	.29
1	.04½	.02	Shawkey	100	.02½	.02½	.02½	.02½
50c.	1.25	.90	Sheep Creek	8,125	1.06	1.11	1.00	1.08
1	1.44	.75	Sherritt Gordon	43,943	.90	.92	.75	.85
1	7.70	5.50	Sigma Mines	1,498	6.50	6.60	6.25	6.50
1	1.65	.90	Siscoe	35,780	1.02	1.05	.90	1.00
1	.80	.26	Sladen Malartic	7,950	.31	.36	.26	.33
1	.13	.03½	Slave Lake	1,300	.04	.03½	.03½	.03½
No	1.03	.34	Stadacona	186,906	.39	.42	.34	.37
1	.15½	.07½	St. Anthony	5,000	.08½	.08½	.07½	.07½
No	.11	.03¾	Straw Lake	27,500	.03½	.04½	.03¾	.03¾
1	.24½	.09	Sturgeon River	500	.15	.13½	.13½	.13½
No	2.99	1.72	Sudbury Basin	3,035	1.91	2.05	1.72	1.75
1	.14½	.05½	Sudbury Contact	500	.06	.05½	.05½	.05½
1	1.01	.58	Sullivan Cons.	14,365	.74	.75	.58	.65
1	3.55	2.78	Sylvanite	13,155	3.05	3.15	2.90	2.95
			T, U, V, W, Y					
1	4.70	3.80	Teck Hughes	18,802	4.10	4.25	4.00	4.05
1	.14½	.06	Temiskaming	1,000	.06½	.07	.07	.07
1	2.30	1.50	Toburn Gold	715	1.65	1.60	1.50	1.55
1	.40	.19	Towagmac	2,200	.20	.20	.19	.20
1	1.65	.75	Uchi Gold	26,200	.93	.90	.75	.85
	97.75	90.00	Do., Bonds	$7,200	95.50	95.00	90.00	91.50
No	5.80	4.00	Ventures	7,382	4.45	4.50	4.00	4.05
No	8.25	5.35	Waite Amulet	17,184	5.80	6.00	5.35	5.85
1	.15	.08½	Wendigo	11,000	.08½	.09	.08½	.09
No	.01½	.00½	White Eagle	5,000	.01	.01	.01	.01
1	.05	.01½	Whitewater Mines	......	(.02½ bid .... asked)			
1	.08½	.02½	Wiltsey Coughlan	3,000	.02½	.02½	.02½	.02½
1	.19	.08½	Wood Cadillac	14,300	.10	.10	.09	.09
No	8.90	7.15	Wright-Hargreaves	27,252	7.95	7.80	7.15	7.35
No	.09	.04	Ymir Girl	1,500	.04½	.04	.04	.04

Oil Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close Aug. 21 (or last)	High for week	Low for week	Close Aug. 28
No	.09½	.04	Acme Gas & Oil	......	(.04½ bid .06 asked)			
1	.30	.10	Alta Pac. Cons.	800	.10	.13	.11	.11
1	.30	.15	Ajax	5,500	.15½	.15½	.15	.15
No	1.52	.65	Anglo Canadian	11,850	.78	.83	.65	.75
No	.15½	.09	Anaconda	......	(.05 bid .... asked)			
No	.21½	.07	Br. Dominion	6,500	.10	.10	.07	.08
No	.33	.15	Brown Oil	7,500	.16	.16½	.15	.15
100	65.00	48.00	Do., pref.	25	48.00	62.00	62.00	62.00
No	2.80	1.40	Calgary & Ed.	25,850	1.65	1.70	1.40	1.50
1	.65	.20	Calmont	5,550	.29	.28	.20	.27
No	.55	.27	Commoil	2,100	.34½	.30	.27	.27
No	.36	.21	Common Pete	100	.25½	.25	.25	.25
No	.75	.30	Dalhousie	12,200	.35	.39	.30	.32
No	.60	.19	Davies Pete	17,800	.25	.24	.19	.22
No	.13	.05	East Crest	6,000	.05	.05½	.05	.05
25c.	.13	.07	Firestone Pete	......	(.06 bid .... asked)			
No	1.45	.40	Foothills	3,700	.45	.45	.40	.40
25c.	.14½	.06½	Foundation Pete	......	(.05 bid .11 asked)			
50c.	.06½	.06½	Grease Creek Pete	......	(.... bid .08 asked)			
No	.20	.10	Hargal	......	(.17 Aug. 3)			
No	.25	.10	High Sarcee	1,700	.11½	.12	.10	.10
No	3.75	1.30	Home	74,677	1.68	1.75	1.30	1.56
1	.26½	.05	Homestead O. & G.	5,700	.06	.07	.05	.07
No	.23	.09	McD. Segur	200	.11	.10	.10	.10
No	.07	.03	Merland	1,000	.03½	.03½	.03½	.03½
1	.48	.21½	Model	850	.25	.25	.21½	.21½
25c.	.12½	.06	Monarch Royalties	500	.07	.06	.06	.06
1	.13	.04	Nordon	400	.05	.04	.04	.04
No	.03½	.01½	Oil Selections	2,000	.02	.02	.01½	.01½
No	1.73	.67	Okalta	7,850	.75	.80	.67	.75
No	.02½	.01	Olga Gas & Oil	500	.01½	.01½	.01½	.01½
1	.12	.03	Pacalta	12,500	.03½	.04½	.03	.04½
1	.30	.25	Petrol Oil & Gas	......	(.25 bid .35 asked)			
25c.	.25	.17	Prairie Royalties	1,200	.21	.18	.18	.18
No	45.63	29.00	Royalite	1,535	31.00	31.50	29.00	30.25
No	.75	.29	South West Pete.	700	.30	.35	.31	.31
No	.11½	.04	South End	......	(.02 bid .... asked)			
No	1.30	.50	Texas Can.	7,600	.65	.71	.60	.67
No	.15½	.07	United Oils	500	.08½	.07½	.07½	.07½
No	1.00	.45	Vulcan	600	.47	.45	.45	.45
No	.08½	.04	West Flank	9,500	.04½	.04½	.04	.04½

Vancouver Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close Aug. 21 (or last)	High for week	Low for week	Close Aug. 28
1	.30	.10	Big Missouri	3,900	.12	.12½	.12	.12½
25c.	.01½	.01½	Bluebird	......	(.01½ Apr. 6)			
No	12.50	9.50	Bralorne	8,400	10.00	10.30	9.55	9.55
1	.03½	.02	Bridge River Cons.	3,000	.02	.02	.02	.02
1	2.40	1.71	Cariboo Gold	4,750	2.05	2.00	1.71	1.98
No	.06½	.02	Dentonia	1,000	.02½	.02½	.02½	.02½
No	.07	.02½	Fairview Amal.	7,000	.03	.03	.02½	.02½
1	.01½	.00¾	Federal Gold	3,000	.00¾	.00¾	.00¾	.00¾
1	.33	.20	George Copper	......	(.20 May 19)			
1	.06	.03	Golconda	2,000	.04½	.04½	.04½	.04½
50c.	.62	.24	Gold Belt	5,300	.30	.30	.28	.28
50c.	.08½	.03½	Grand View	1,500	.05½	.05	.04½	.04½
1	.03½	.01½	Grull Wihksne	500	.01½	.01½	.01½	.01½
1	1.54	.55	Hedley Mascot	16,300	.69	.69	.55	.56
No	.01	.00½	Home Gold	2,000	.00½	.00½	.00½	.00½
1	.01½	.00½	Indian Mines	......	(.00½ bid .... asked)			
50c.	1.40	.92	Island Mountain	1,600	1.01	.92	.92	.92
1	.34	.27	Inter'tl Coal	2,100	.29	.34	.32	.32
50c.	1.55	.61	Kootenay Belle	3,950	.74	.70	.65	.65
10c.	.03	.01	Lucky Jim	9,500	.01½	.01½	.01½	.01½
No	.02	.00½	Mak Siccar	......	(.00½ bid .... asked)			
10c.	.33	.28	Metaline Mining	......	(.28 June 10)			
1	.23	.21	McGillivray Creek	......	(.20 bid .... asked)			
No	.03	.01½	Minto Mines	......	(.01½ bid .02 asked)			
5c.	.04½	.02	Nicola	16,500	.02½	.03	.02½	.02½
50c.	.04½	.01	Noble Five	4,500	.01½	.01½	.01½	.01½
1	.22	.10	Pacific Nickel	......	(.13 bid .15 asked)			
1	1.90	1.20	Pend Oreille	400	1.30	1.20	1.20	1.20
No	.00½	.00½	Pilot Gold	......	(.00½ bid .... asked)			
1	2.70	2.15	Pioneer Gold	2,430	2.35	2.40	2.15	2.30
50c.	.03	.00½	Porter Idaho	......	(.02 bid .... asked)			
No	.01½	.00¾	Premier Border	4,000	.00¾	.00¾	.00¾	.00¾
1	2.40	1.38	Premier Gold	20,350	1.72	1.72	1.38	1.47
No	1.45	.92	Privateer Mines	15,100	1.02	1.05	.92	.95
1	.04	.02	Quatsino Copper	......	(.... bid .03 asked)			
50c.	.01½	.01½	Red Hawk	......	(.01½ Feb. 11)			
No	.32	.18	Reeves McDonald	......	(.... bid .20 asked)			
1	.15½	.09	Relief Arlington	29,500	.12½	.12½	.12	.12
1	.58	.22	Reno Gold	9,500	.39½	.41	.33	.39
1	.06	.01½	Reward Mining	......	(.01 bid .... asked)			
1	.01½	.00½	Rufus Argenta	......	(.00½ bid .01 asked)			
1	.09	.02	Sally Mines	......	(.... bid .08 asked)			
50c.	.12	.03	Salmon Gold	1,000	.03½	.04½	.04½	.04½
50c.	1.25	.91	Sheep Creek	14,900	1.09	1.12	1.00	1.01
1	1.85	1.00	Silbak Premier	4,300	1.20	1.10	1.00	1.05
No	.02	.00½	Silvercrest	......	(.00½ bid .... asked)			
1	.15	.08	Sunloch	......	(.08 Mar. 3)			
50c.	.27	.13	Surf Inlet	1,400	.16	.15	.15	.15
No	.06½	.02½	Taylor Bridge	4,000	.05	.05	.05	.05
No	.06½	.02½	Vidette Gold	......	(.... bid .06 asked)			
50c.	.00¾	.00½	Waverley Tangier	......	(.00¾ bid .00¾ asked)			
20c.	.02	.00¾	Wellington	5,000	.00¾	.00¾	.00¾	.00¾
50c.	.01½	.00½	Wesko	......	(.00½ bid .00¾ asked)			
1	.04¾	.01½	Whitewater	4,500	.03	.03½	.03½	.03½
No	.08	.03½	Ymir Yankee Girl	7,000	.06	.04¾	.03¾	.03¾

Oil Quotations

Par Val.	Range 1939 High	Low	Company	Sales	Close Aug. 21 (or last)	High for week	Low for week	Close Aug. 28
1	.30	.11	Alta. Pac. Cons.	2,500	.13	.13	.11	.11
1	.01	.00½	Amalgamated	......	(.00½ bid .... asked)			
No	1.52	.70	Anglo Canadian	2,000	.78	.80	.70	.80
No	.16	.06	Anaconda	2,500	.06½	.06½	.06	.06½
No	.08	.06	Associated Oil	......	(.06 Mar. 28)			
No	.04	.01	Baltac	3,000	.01	.01½	.01¾	.01¾
No	.19½	.06	Brit. Dominion	......	(.08½ bid .... asked)			
No	.33	.15	Brown Oil	2,500	.19	.16	.15	.15
No	2.75	1.38	Calgary & Ed.	14,930	1.65	1.69	1.38	1.49
1	.64	.24	Calmont	2,600	.30	.28	.24	.28
No	.58	.26	Commoil	1,600	.31	.26	.26	.26
1	.36	.22½	Commonwealth	3,100	.24	.24	.23	.23
No	.68	.33	Dalhousie	400	.35	.33	.33	.33
No	.59	.24	Davies Pete	......	(.22 bid .... asked)			
No	.12	.05	East Crest	1,000	.06	.05	.05	.05
No	.21½	.18	Extension	4,000	.21½	.18½	.18	.18½
25c.	.13	.07	Firestone	......	(.07 bid .07½ asked)			
No	1.40	.55	Foothills	......	(.35 bid .... asked)			
No	.17½	.02	Freehold	5,000	.03	.03½	.02¾	.02¾
25c.	.13	.09	Foundation Pete	......	(.10 June 22)			
No	.15½	.08½	Four Star	1,000	.12	.12	.11	.11
No	.20	.08½	Hargal	1,000	.19	.19	.19	.19
No	.35	.15	High Sarcee	......	(.11 bid .... asked)			
No	3.75	1.45	Home Oil	15,490	1.70	1.70	1.45	1.60
No	.07½	.02	Madison	500	.02½	.02	.02	.02
No	.09	.03	Marjon Oil	28,000	.04	.03½	.03	.03
No	.22½	.10	McD. Segur Ex.	5,300	.11½	.11	.10	.10
1	.22	.12	McLeod	......	(.12 May 19)			
No	.13	.05½	Mercury	3,000	.06½	.06	.05½	.06
No	.07½	.03½	Mill City Pete	4,000	.05	.05	.04½	.04½
No	.05½	.04½	Midwest Pete	......	(.02½ bid .... asked)			
1	.49	.22	Model	500	.24	.22	.22	.22
25c.	.11	.07	Monarch Royal	......	(.06 bid .... asked)			
25c.	.16½	.08	National Pete	1,000	.11	.09	.09	.09
1	.12	.05	Nordon	......	(.03 bid .... asked)			
No	1.70	.68	Okalta	2,400	.75	.78	.68	.77
No	.12	.04	Pacalta Oil	......	(.03 bid .... asked)			
25c.	.24½	.18	Prairie Royal	1,000	.23	.20	.20	.20
No	45.00	29.50	Royalite	125	33.50	30.00	29.50	29.50
No	.22	.15½	Royal Canadian	15,700	.17	.17	.16	.16
No	.11½	.03	South End	......	(.02½ bid .04 asked)			
No	.75	.30	Southwest Pete	1,000	.40	.40	.39	.39
1	.12	.04	Spooner	......	(.09 July 28)			
25c.	.41	.30	Sunset Oils	......	(.38 bid .41 asked)			
No	.16	.07	United	1,000	.08	.07	.07	.07
No	.13	.04½	Vanalta	......	(.04 bid .06 asked)			
1	.90	.42	Vulcan	1,000	.50	.47	.42	.47
No	.07½	.05	West Flank	......	(.05 Aug. 12)			

Winnipeg Stocks

(Transactions from Aug. 21 to Aug. 26)

	Sales	High for period	Low for period	Close Aug. 26
Beaver Lumber	100	2.60	2.60	2.60
Cental Manitoba	2,000	.03½	.03¼	.03¼
Cryderman	3,000	.00⅜	.00¼	.00¼
Franco Oils	600	.52	.45	.45
Flin Flon	21,500	.01	.01	.01
Gold Lake	1,500	.01¼	.01¼	.01¼
Gurney Gold	1,000	.03	.03	.03
Marvel Oils	1,000	.02	.02	.02
Ore Grande	7,500	.05	.04¼	.04½
Packsack	500	.04	.04	.04
Rice Lake	2,000	.00¾	.00¾	00¾
Sachigo River	215	7.25	6.25	6.25
Star Lake	12,500	.00½	.00¼	.00¼
United Grain	30	6.25	6.00	6.00
Western Breweries	500	1.42	1.42	1.42
Wingold	5,000	.04½	.04	.04

Stocks Not Traded in During Week

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	North. Trusts	6	..
Beaver Lum., p.	90	95	N. Can. Mtge., pf.	2½	..
Can. Indemnity	125	..	North. Mtge.	1½	..
Dom. Envelope	2	3	Rel. Grain, p.	..	29½
Do., pref.	95	98	Traders Bldg.	55	..
Fed. Grain, com.	..	1.50	West. Grain, pf.	..	5
Do., pfd.	17	..	West. Steel	3½	5½
Home Invest.	..	13			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 29	14,700	39,600	300,000	89,204
Aug. 28	23,000	39,300	334,000	48,790
Aug. 26	18,000	52,600	290,000	57,390
Aug. 25	35,400	66,200	548,000	66,270
Aug. 24	48,300	82,500	675,000	54,673
Aug. 23	25,200	63,100	467,000	93,550

Government Bonds

Aug. 29, 1939 (Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

%	Due	Bid	Ask	Approx. Yld.
1½	June '40	99½	100½	.90
4½	Sept. '40	102½	103	1.46
1	Mar. '41	98½	99½	1.53
5	Nov. '41	106	106¾	1.73
1½	May '42	98½	99½	1.80
2	June '42	99½	100½	1.80
3	Oct. '42	102½	103½	1.93
2½	June '43	100¾	101¾	2.04
5	Oct. '43	109	110	2.45
2	June '44	98½	99½	2.16
a2½	Jan. '44	100¾	101¾	b1.71
4½	Oct. '44	108	109	2.62
2½	Nov. '44	99½	100½	2.40
a2½	Aug. '45	101	102	b1.97
4	Oct. '45	104½	105½	b2.58
4½	Feb. '46	109	110	2.78
3½	June '49	100½	101½	b3.00
3½	Oct. '49	100¾	101¾	b3.12
3½	Nov. '51	100	101	b3.07
a5	May '52	109¾	110¾	b.91
4	Oct. '52	104½	105½	b3.26
3	June '55	97½	98½	3.14
4½	Nov. '56	106½	107½	b3.31
4½	Nov. '57	107	108	b3.36
3	June '58	96½	97½	3.17
4½	Nov. '58	108½	109½	b3.29
4½	Nov. '59	109½	110½	b3.31
a4	Oct. '60	108	109	b3.06
a3½	Jan. '61	101¾	102¾	b3.03
3½	June '66	99	100	3.25
a3e	Jan. '67	98¾	100	3.00
a3e	Nov. '68	98	99½	3.03
†3	Perpet'l.	90¾	91½	3.28

Dominion Guaranteed Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask	Approx. Yld.
2	Feb. '43	98½	99½	2.15
2½	Jan. '46	97½	98½	2.51
3	May '44	102½	103½	2.19
3	Dec. '50	97	98½	3.15
3	Feb. '53	96	97½	3.23
3	Jan. '59	95½	97	3.21
*4½	Sept. '51	112	114	3.09

%	Due	Bid	Ask	Approx. Yld.
*4½	Feb. '56	113	114½	3.35
c4½	July '57	113	114½	3.42
*4½	June '55	114	116	3.43
5	Feb. '54	115	117	3.49
*5	July '69	112	114	b2.85
*5	Oct. '69	115½	117½	b3.40
*5	Feb. '70	115½	117½	b3.40
	Provincial Gov't. Bonds			
	New Brunswick:			
3	Oct. '51	91	93	3.70
3½	Aug. '49	93	95	3.85
3½	June '56	92	95	3.90
c4	Nov. '47	100	102	b3.63
c4½	Apr. '61	104	106	4.08
c5	Jan. '60	109	111	4.19
	Nova Scotia:			
3	Jan. '52	94½	96½	3.34
3½	June '56	97	99	3.32
3½	Nov. '50	98	100	3.50
c4½	Sept. '52	106	107½	b3.41
c4½	Nov. '60	107	109	3.88
c5	Mar. '60	114	116	3.86
	Ontario:			
2½	May '45	99	101	2.30
3	Apr. '48	96	98	3.27
3	Nov. '50	95½	97½	3.26
3½	Nov. '51	98½	100½	b3.19
*4	June '62	104	106	3.61
4½	June '50	108	110	3.40
*4½	Jan. '62	109	112	3.71
5	Oct. '48	109½	111½	3.53
*5	Dec. '60	117	119	3.71
5½	July '46	110½	112½	3.43
	Ont. Hydro Commission:			
3	Aug. '48	95½	97½	3.32
3½	Feb. '53	98½	100½	b3.19
3½	Apr. '47	100	102	3.20
	Prince Edward Island:			
3	Oct. '45	98	100	3.00
	Quebec:			
3	Nov. '47	94	96	3.56
3	Nov. '51	92	94	3.60
3½	Mar. '48	95	97	3.66

%	Due	Bid	Ask	Approx. Yld.
3½	June '52	94	96	3.83
4	Mar. '52	101½	103½	3.65
4½	Aug. '58	104	106	3.80
4½	Jan. '63	107	109	3.87
	Alberta:			
4	Dec. '54	55½	59½	d
4½	Oct. '51	60½	64½	d
c4½	Oct. '56	58	62	d
*5	Oct. '59	61½	65½	d
c5½	Apr. '52	63	67	d
6	Mar. '47	64½	68½	d
	British Columbia:			
c4	Dec. '57	98	100	4.09
*4½	Jan. '51	101½	103½	4.11
c4½	Oct. '53	101½	103½	4.17
c5	Apr. '54	103	105	4.53
5½	Feb. '45	103	105	4.45
6	Feb. '47	105	107	4.87
	Manitoba:			
c4	Dec. '57	84½	87½	5.04
c4½	Dec. '56	88	91	5.29
*5	Dec. '59	93	96	5.32
5½	Oct. '55	95½	98	5.68
6	Apr. '47	98½	101	5.84
	Saskatchewan:			
4	Sept. '54	63½	67½	7.58
4	Nov. '60	61	65	7.23
c4½	Oct. '51	77	81	6.78
c4½	Mar. '60	69	73	7.00
5	Aug. '58	73½	77½	7.19
5½	Oct. '52	78	82	7.87
6	Mar. '52	79½	83½	8.13

*Payable Can., N.Y. & £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium.

Unlisted Stocks

August 29, 1939 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials	Bid	Ask.
Acme Farm., p.	11	14
Andian National	30½	32½
Anglo C. Tel., A	8½	8¾
Barrymore, pfd.	20	..
B. C. Pulp, c.	5¾	6¾
Do. pfd.	20	..
B. C. Sugar	78	81
Burns & Co., A	2¾	3½
Do., B	¾	1
Canada Tea, pf.	20	24
Can. Co-op. W'l.	7	..
Can. G'drich, c.	1½	..
C. I. L., A c.	212	..
Can. Ing. Rand	120	125
Can. Tube, 1st p.	50	60
Chase, A. W., p.	25	26½
Claude Neon, p.	6½	7
Cons. Sales B., p	..	79
Cope. Flour Unit	6¾	7½
Dom. Wooll's., p	¾	1½
Dunlop Tire, p.	21	22
Easy Washing, p	..	8½
Fed. Grain, pfd.	17	20
Do., com.	¾	1
Goderich Elev.	6¾	6¾
Guard. Realty, p	15	17
Guelph Carp., p.	99	102
Do., com.	10	11½
Hayes Steel, c.	14	15
Do., pfd. ($10)	10	10½
Hi'land Dairy, p.	72	..
Do., com.	2½	..
Kingston Sh. un.	11½	12
Loblaw Inc., c.	10½	10¾
M'row Screw, p.	96	101
Mt. Royal H., p.	2½	3
Neilson, Wm., c.	8	..
Do., pfd.	103	..
N. B. Tel., c.	12½	13½

	Bid	Ask.
N. Meth. Ldy., p	57	..
Office Spec., p.	70	..
Ont. Tob., pfd.	21	23½
Paterson Wm., p	103	..
Prov. Paper, pf.	100	101½
Reliance Gr., pf.	28	30
Robertson, P. L., p	85	..
Rob. Cons. Cone	8½	9½
Ruddy, E. L., p.	28	30
Seal O Sac (Can)	3½	4½
Stand. Fuel, c.	2	2½
Do., pref.	46	51
Stedman Br., pf.	56	57
To. Carpet, c.	18	22
Do., pfd.	53	56
Un. F. Co-op.	2¾	2¾
Un. Steel. A pf.	20	21
Viceroy M., pfd. & rts.	21	23
West. Grain, pf.	2	4
West. Steel, c.	3½	5½
Weston Hold.	6½	6¾
Trust & Loan Stocks:		
Brit. Mtge.	150	..
Com. Fin., c.	2½	3½
Guaranty Tr.	96	..
Guelph & C. $50	52½	55½
Lambton Loan	32½	34½
London & West.	39	41½
Sherbrooke Tr.	120	..
Sterling Trust	52½	60
Traders F., B.C.	11	12
Do., A pfd.	..	84
Trusts & Guar.	27	28
Waterloo Trust	98½	..
Insurance Stocks:		
Brit. A. Assur.	54	..
Canada Life	480	490
Confed., 30% pd	151	155

	Bid	Ask.
Crown, fully pd.	260	..
Dominion Fire	135	..
D. of Can. Gen.	120	125
Empire, 25% pd.	7¾	8½
Excelsior 32% pd	59	63
Fed. F., 25% pd.	51	53
Great-West Life	235	245
Halifax Fire	21	22
Imperial Life	315	330
Manufac. Life	240	247
Monarch 10% pd	22½	24
Sov. L., 25% pd.	12½	14
Sun Life	370	385
Tor. General	5½	6
Western Assce.	50	51½
Theatre Stocks:		
Allens, King., p.	60	66
Do., London, p	50	57
Do. St. Cath. p	55	..
Do., Tor., p.	32	36
Mansf. Theat., p	29	33
Midland Prop., p	3½	..
Para., Kitch., p.	53½	..
Do., Oshawa, c	11½	13
Investment Trust Shares:		
Can. Investors	5½	6½
Deb. & Sec., pf.	70	..
Inv. Found. Unit	53	55
Sec's. Hold., pf.	17	19
United Corp., A	20½	22½
Do., B	4¾	6
Power Issues:		
Can. W. N. Gas	24	..
Do., pfd.	96	97½
Int. Util., 1.75 p.	15	17½
Do., 3.50 pfd.	34½	36½
Gt Lakes Pr., p.	100	101½
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	95	97

Unlisted Mines

Montreal, August 29, 1939

	Bid	Ask
Addingt'n	.04½	.05½
Albany R	.17	.20
Amorada	.02	.03
Anoki	.09	.10
Arjon	.02	.03
Armistice	.01¾	.02½
Argosy	.03½	.05
Arno	.01½	.02
Area	.04	.04¾
Athona	.03¾	.04½
Barb Lar	.02½	.03½
Beresford	.18	.20
Big Mastr	.02½	.03½
Bilmac	.02½	.03½
Calder Bo	.02	.03
Camlaren	..	.02½
Capital R	.01	.01½
Carinor	..	.12
Central M	.03	.03½
Cheminis	.05½	.06
Cochen'r	.45	.48
Coin Lake	.02	.03
Cont Cop	..	.10
Cont Kirk	.05	.07
Crescent	.03¾	.04½
Crowsho	.05	.08
Dawson	.01	.01½
Dayton	.04	.05½
Delnite	.87	.92
Desants n	.18	.20
Devon	.05	.08
Dona Pt	.10	.12
Donwood	.06	.08
Dumico	.04	.05
Dunlop n	.01½	.02
E Lacoma	.01½	.02½
Elmos	.17	.18
Fauiken'	.01	.02
Flavrian	.01½	.02
Fontana	..	.07
Frontier	.02	.03
Galore	.04	.05½
Gate Pat	.00¾	.01½
Golden G	.16	.18
Goldside	.01	.01½
Gordon L	.01½	.02
Granada	.01½	.02½
Gorham	.01½	.02½
Hallnor	6.00	7.00
Hiawa'a	..	.95
Hislop	.01	.02
Hoyle n	.27	.30
Hugh Pa	.06½	.08
Hutch Lk	.04½	.05½
Jason	..	.41
Keora	.03½	.04½
K Crow	.01½	.02½
Kelrowe	..	.29
Kenricia	.17	.20
Kewagam	.02	.05
Kiena	.13	.15
Kir Vit	.01	.01½
Kirk Gate	.02¾	.03½
Kir Hunt	.00¾	.01½
Lacoma	.01½	.02½
Lake Df	.21	.24
Lake Gen	.06	.08½
Lardego	.02½	.03
Lw Pete	.20	.25
Lucky K	.01	.02
Magnet C	.62	.63
Magnet L	.13	.15
Martin Br	.04½	.05½
Martin M	..	.04
Margaret	.14	.16
Mata Can	.04	.05
Melba	.03	.04
Mof Hal n	.02	.03
McGregor	.01	.02
McVit Kir	.01	.01½
Mooshla	.04	.05
Mosher	.09½	.10½
Mylamaq	.02	.03
Nat Mal	.14	.16
Negus	.60	.70
New Aug	..	.20
New Rib'	.02¾	.03½
Nickel O	.70	.80
Norbeau	..	.50
Norlake	.00¾	.01½
Oklend	.08	.09
O'Leary	.02	.02½
Opemiska	.06½	.07½
Oriole	.01¾	.02½
Orpit	.03½	.05
Ossian	.02½	.03½
Pascalis	..	.31
Payore	.01¾	.02½
Porc Lake	.04	.06
Planet	.02½	.03
Pontiac	.08	.10
Pelangio	.01¾	.02½
Polaris	.40	.43
Private'r	.90	1.00
Propri'y	1.80	1.90
Presdor	.03½	.04½
Queb Man	.07	.09
Rand Ml	.12	.15
Red LGS	.01¾	.02½
Rhyolite	.02	.03
Rose Gold	.06	.07
Rouyn Re	.01	.01½
Sachigo	7.00	7.75
Shenango	.06	.07
Sheldon	..	.08
Siscoe Ex	.01	.02
Skynner	.07½	.08
Smelter	.02½	.03
Spooner	.04½	.06
Steep Rk	.60	.75
Sunbeam	.07	.09
Sun Bear	.01	.01½
Surf Inlet	.15	.18
Springer	.07	.09
Thomp L	.23	.25
Tonawa'a	.01	.01½
Union Mn	.05½	.06
Upper Cn	.47	.50
Walker P	.01¾	.02½
Wesley	.01½	.02
Wells LL	.15	.17
Westwood	.02½	.03
Winoga cum rts	.04½	.05
Woco	.13	.15
Y David'n	.24½	.25½

Toronto, August 29, 1939

	Bid	Ask
Abbeyv'e	.04	.05
Brown B	.01	.02
Chibmac	.01½	.03
Demp'y	.01	.02
L Lag'n	.03	.05
L Rowan	..	.07
Leroy	..	.01
Louvre	..	.02
Obalski	.05	.06
Pan Can	.03	.04
Routh'r C	..	.03
Tiblem't I	.02	.03
Valdor M	..	.03
Warren'c	..	.05

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

August 29, 1939

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 29	Asked	Bid Aug. 15
†Assoc. Tel. & T.	5½	'55	72	77	76
Beauharnois P.	5	'78	98½	101½	99
B. C. Power	4½	'60	99	102	102
B. C. Tel.	4½	'61	107	110	107½
†Calgary Pwr.	5	'60	103	106	104
Do.	5	'64	102	105	103½
†Can. Nor. Pwr.	5	'53	102½	105½	102
*Dom. Gas & El.	6½	'45	92	97	94
Gatineau Pwr.	5	'49	99½	102½	102½
Do., B	3¾	'69	96½	99½	99
Gt. Lakes Pwr.	4½	'56	99	102	100
*Int. Hydro-E.	6	'44	80	83	80½
▲Inter. Power	6	'55	101	104	101½
Macl'n-Que. Pr.	4	'59	94½	97½	97
Mtl. L. H. & P.	3½	'56	100½	103½	103½
Do.	3½	'73	98½	101½	101
†Mtl. Tramways	5	'41	96½	99½	98
†Do.	5	'55	66	69	68½
Nat. Lt. & Pwr.	6	'49	96½	99½	97½
N. S. Lt. Pr.	4	'57	101	104	101½
Ottawa H. & P.	4	'57	104	107	104
Ottawa V. Pwr.	5	'59	103	106	103
†Power Corp.	4½	'59	100	103	103
Quebec Pwr.	4	'62	101½	104½	103
*Saguenay P. A.	4½	'66	105	108	106
Do., B	4½	'66	104½	107½	105½
Shaw. W. & Pr.	4	'61	99	102	102½
Union Gas	4½	'50	100	103	102½
†United Secur.	5½	'52	64	67	64½
†Wpg. El Ser., A	4	'65	66	69	68
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	39	42	39
Acadia Sugar	4½	'55	103	106	103
†Alta. Pa. Grain	6	'46	86	91	89
Atlantic Sugar	4	'51	102½	105½	102½
B. A. Oil	4	'45	101	103	101
†B. C. P. & Pap.	6	'50	49	54	50
*Brown Co.	5½	'46	23½	26½	25
Burns & Co.	5	'58	32	37	35½
Canada Bread	6	'41	105½	108½	106
Canada Cement	4½	'51	103½	106½	104
Can. Paper	4½	'52	98½	101½	100½
Can. Steamship	5	'57	79	82	82½
Candn. Canners	4	'51	100	103	101
*Can. Int. Paper	6	'49	84½	87½	86½
†Candn. Vickers	6	'47	54	57	57
C. P. R.	3½	'51	77½	80½	82
Do.	4	'49	80	84	86
Do.	4½	'44	84	87	87½
Do.	6	'42	95	99	100½
†Consol. Paper	5½	'61	33	36	31½
Dom. Coal	4½	'52	102	105	103
▲Dom. Stl. & C.	6½	'55	100	105	104
Dom. Tar	4½	'51	103	106	103
†Donnacona P.	4½	'56	58	63	62
Famous Players	4½	'51	98	101	100
†Federal Grain	6	'49	89	93	91
†Fraser Cos.	6	'50	89	92	89
Gen. Stl. Wares	4½	'52	96	99	98
*Great Lakes P.	5	'55	77	82	77½
†Gypsum, Lime	5½	'48	98½	101½	100
Ham. By-Pr. C.	5	'55	98½	101½	101
Inter-City Bak.	5½	'48	102	105	103
*Int. P.&P. Pfld.	4½	'68	99½	102½	100½
Lake St. John P. & P.	5½	'61	67	72	72
Maple Leaf M.	3	'58	57	62	60
Massey-Harris	4½	'54	92	95	94
McColl-Front.	4½	'49	99½	102½	102
McCormick's	4	'52	90	93	91
*M. & O. Paper	6	'45	21½	24½	21
Nat. Grocers	4	'47	100	...	101
N. S. Stl. & C.	3½	'63	79	82	81½
Pres. E. Dome	6	'43	101½	104½	102
Price Bros.	5	'57	85	90	89
*Prov. Paper	5½	'47	101½	104½	102
Reliance Grain	4½	'52	82	87	84
†Restigouche Co	6	'48	76	81	78
Rolland Paper	4½	'51	102	105	102
Simpsons Ltd.	4½	'51	98½	101½	100
Smith, Howard	4½	'51	103	106	103½
†Steel of Can.	6	'40	103½	106½	103½
*United Gas	5½	'48	100	103	102½
United Gr. Grs.	5	'48	92	97	96½
†Western Grain	6	'49	29	34	32

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.

Mining Dividends

	Rate	Close Aug. 28	Yield %
Beattie Gold	15c	1.10	13.6
Bralorne	80c+30c	9.75	*11.2
Buffalo Ankerite	$1	7.75	12.9
Bulolo Gold	$3	20.00	15.0
Can. Malartic	9c	.59	15.2
Cariboo Gold	16c+5½c	2.00	*10.7
Central Patricia	16c+4c	2.09	*9.5
Coniagas	25c	1.25	..
Coniaurum	15c	1.41	..
Cons. Smelters	$1+$1	41.00	*4.9
Dome Mines	$2	32.00	6.2
Falconbridge	30c	5.15	5.8
God's Lake	†5c	.39	..
Goldale	†2c	.16	..
Gunnar Gold	6c	.45	13.3
Hedley Mascot	12c+4c	.59	..
Hollinger	65c+45c	14.50	*7.5
Howey Gold	3c	.30	..
Hudson Bay	$1.50	32.25	4.6
Inter. Mining	40c	7.00	5.7
Inter. Nickel, com.	$2	48.00	4.2
Island Mountain	10c	.90	11.1
Kerr Lake	5c	.50	10
Kirkland Lake	8c+2c	1.25	*8
Kootenay Belle	16c+4c	.65	..
Lamaque Gold	30c+15c	6.40	*7
Lake Shore	$4	38.25	10.4
Lava Cap M.	11c	.73	..
Leitch	8c	.72	11.1
Little Long Lac	30c	2.50	12
Macassa	20c+7½c	4.20	*6.5
McGillivray Coal	3c	.21	..
McKenzie Red Lake	12c	1.14	10.5
Moneta	9c	.85	..
McIntyre Porc.	$2	55.50	3.6
Noranda	$4	77.00	5.2
Nipissing	15c	1.25	..
North Empire	80c	9.30	8.6
O'Brien Gold	†10c	1.65	..
Pamour Porc.	8c	1.80	..
Pato Cons.	10c	2.00	..
Paymaster	2c	.38	..
Perron Gold	16c+1c	1.66	*10.2
Pioneer, B.C.	40c	2.25	17.7
Pickle Crow	40c	4.15	9.6
Placer Develop.	$1.20	12.50	9.6
Premier	12c	1.50	8
Privateer Mine	20c+2c	.95	..
Quebec Gold	†2c	.30	..
San Antonio	14c	1.57	8.8
Sheep Creek	16c+2c	1.08	*16.6
Silbak Prem.	12c	1.05	11.4
Siscoe	12c	1.00	12
Sudbury Basin	5c	1.75	..
Sullivan Cons.	5c	.65	..
Sylvanite Gold	20c+5c	2.95	*8.4
Teck-Hughes	40c+5c	4.95	*11.1
Toburn	8c+6c	1.55	*9.0
Ventures	15c	4.05	..
Wright-Harg.	40c+30c	7.35	*9.5

*Yield including bonus. †Initial.

Municipal Bonds

Aug. 29, 1939

†Halifax	5	1961	110.00	113.00	4.09
Hamilton	5	1950	106.75	108.75	4.00
Montreal	5	1945	97.00	99.00	5.20
Ottawa	4½	1945	104.50	106.50	3.25
†Quebec	5	1959	105.00	108.00	4.39
Saint John	5	1950	105.00	107.00	4.22
†Toronto	4½	1955	107.25	109.25	3.70
†Vancouver	5	1950	98.00	101.00	4.87
Winnipeg	5	1944	100.00	103.00	4.25

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Fund	3.08	3.37
Can. Amer. Trust	3.10	3.40
Can. Inv. Fund	3.65	4.00
All Can. Trustee	11.25	11.90
Trans-Canada	11.10	12.10
Grouped Income	4.52	5.15
Can. Int. Tr., modified	4.75	5.50
Do., unmodified	4.25	5.00

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, p.	$1.75	Oct. 2	Sept. 15
Assoc. Brew.	20c	Sept. 30	Sept. 15
Do., pref.	$1.75	Oct. 2	Sept. 15
Asbestos Corp.	15c	Sept. 30	Sept. 15
Do., extra	15c	Sept. 30	Sept. 15
Bell Telephone	$2	Oct. 16	Sept. 23
Brazilian Tr., p.	$1.50	Oct. 2	Sept. 15
Burlington Stl.	15c	Oct. 2	Sept. 15
Bright, T. G.	7½c	Sept. 15	Aug. 31
Do., pref.	$1.50	Sept. 15	Aug. 31
Beld.-Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bk. of N. Scotia	$3	Oct. 2	Sept. 15
Can W & C., A	$1	Sept. 15	Aug. 31
Do.	$1	Dec. 15	Nov. 30
Can. W. & C. pf.	$1.62½	Sept. 15	Aug. 31
Carnation, 1st pfd.	$1.25	Oct. 2	Sept. 21
Cosmos Imp., pref.	$1.25	Oct. 14	Sept. 30
Can. Inger. Rand	$1	Sept. 5	Aug. 15
Canada Dry	50c	Sept. 15	Sept. 1
Can. Cottons	$1	Oct. 2	Sept. 15
Do., pref.	$1.50	Oct. 2	Sept. 15
Can. Indust., A, B	$1.75	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 16	Sept. 30
Chartered Trust	$1	Oct. 2	Sept. 15
Canada Cement, p	$1.25	Sept. 20	Aug. 31
Can. Perm. Mtge.	$2	Oct. 2	Sept. 15
Can. Malting	37½c	Sept. 15	Aug. 31
Cariboo Gold	4c	Oct. 2	Sept. 7
Do., extra	1c	Oct. 2	Sept. 7
Can. North. Pwr.	30c	Oct. 25	Sept. 30
Do., pref.	$1.75	Oct. 16	Sept. 30
Can. Wire. Box. A	37½c	Oct. 1	Sept. 15
David & Frere, A	15c	Sept. 30	Sept. 15
Do., bonus	10c	Sept. 30	Sept. 15
Dom. Tar pref.	$1.37½	Nov. 1	Oct. 12
Dom. Oilcloth	30c	Oct. 31	Oct. 16
Dom. Textile	$1.25	Oct. 2	Sept. 15
Do., pref.	$1.75	Oct. 16	Sept. 30
Distillers Seag.	50c	Sept. 15	Sept. 5
Do., pref.	$1.25	Nov. 1	Oct. 16
Electrolux	30c	Sept. 15	Aug. 15
Firestone Pete.	•	Sept. 5	Aug. 19
Ford Motor, A, B	25c	Sept. 16	Aug. 26
Foundation Pete.	•	Sept. 5	Aug. 19
Gatineau Pwr., c.	20c	Sept. 30	Sept. 1
Do., pref.	$1.25	Oct. 1	Sept. 1
Do., pref.	$1.37½	Oct. 1	Sept. 1
Greening Wire	15c	Oct. 2	Sept. 15
God's Lake Gold	*5c	Oct. 1	Sept. 15
Granville Oils	.00½c	Aug. 27	Aug. 21
Ham. Un. Theat., p.	$1.50	Sept. 30	Aug. 31
Hollinger Cons.	5c	Sept. 9	Aug. 26
Imperial Tob., ord.	10c	Sept. 30	Sept. 8
do., pref.	3%	Sept. 30	Sept. 8
Int. Nickel	50c	Sept. 30	Aug. 31
Inter. Mining	10c	Sept. 20	Aug. 31
Lang J. A.	17½c	Oct. 2	Sept. 15
Louisiana Land	10c	Sept. 15	Sept. 1
Lava Cap G. M.	3c	Sept. 30	Sept. 19
Little Long Lac	10c	Aug. 26	Aug. 16
Lake Shore Mines	$1	Sept. 15	Sept. 1
Mtl. Cottons	50c	Sept. 15	Aug. 31
Do., pref.	$1.75	Sept. 15	Aug. 31
MacKinnon Steel, p	$1.75	Sept. 15	Sept. 1
Monarch Rylts.	•	Sept. 5	Aug. 19
Montreal Loan	50c	Sept. 15	Aug. 31
McK Red Lake	3c	Sept. 15	Sept. 1
Macassa Mines	5c	Sept. 15	Aug. 31
Do., extra	2½c	Sept. 15	Aug. 31
Moore Corp., c.	40c	Oct. 2	Sept. 7
Do., pref. A & B	$1.75	Oct. 2	Sept. 7
Nat. Steel Car	50c	Oct. 14	Sept. 30
Nat. Biscuit, pfd.	$1.75	Aug. 31	Aug. 15
Niagara Wire	25c.	Oct. 2	Sept. 15
Noranda Mines	$1.00	Sept. 15	Aug. 21
National Brew.	50c	Oct. 2	Sept. 15
Do., pref.	44c	Oct. 2	Sept. 15
Northwestern Util.	$1.50	Sept. 1	Aug. 25
Pacific Pr. & W., c.	5c	Sept. 1	Aug. 25
Do., extra	5c	Sept. 1	Aug. 25
Pac. West. Invest	7½c	Sept. 1	Aug. 25
Do., pref.	12½c	Sept. 1	Aug. 25
Power Corp., pf.	$1.50	Oct. 16	Sept. 30
Do., 2nd pref.	75c	Oct. 16	Sept. 30
Pioneer Gold	10c	Oct. 2	Aug. 31
Perron Mines	4c	Sept. 21	Sept. 1
Do., extra	1c	Sept. 21	Sept. 1
Paton Mfg., pfd.	$1.75	Sept. 15	Aug. 31
Prairie Rylts.	•	Sept. 5	Aug. 19
Rem. Rand pf.	$1.12½	Oct. 2	Sept. 11
Do., c	20c.	Oct. 2	Sept. 11
Simon, H. & Sons	15c	Sept. 30	Sept. 16
Do., pref.	$1.75	Sept. 30	Sept. 16
Stedman Bros.	15c	Oct. 2	Sept. 20
Do., pref.	75c	Oct. 2	Sept. 20
Smith, H. Pap. pf.	$1.50	Oct. 16	Sept. 30
Sylvanite Gold	5c	Sept. 30	Aug. 19
Sunset Oils	4c	Sept. 15	Sept. 5
Siscoe Gold	3c	Sept. 15	Aug. 26
Sundance Rylts.	2½c	Sept. 5	Aug. 22
South. Can. Pr., P.	$1.50	Oct. 16	Sept. 20
Stand. Steel, A pf.	75c	Oct. 1	Sept. 15
Toronto Elevats., p	65½c	Sept. 7	Aug. 24
Union Gas	20c	Sept. 15	Aug. 19
Walker-G. & W.	$1	Sept. 15	Aug. 25
Do., pref.	25c	Sept. 15	Aug. 25
Weston, Geo., c.	20c	Oct. 2	Sept. 15
W'minster Paper	25c	Nov. 1	Oct. 15
Wilsil	25c	Oct. 2	Sept. 15
Wr.-Hargreaves	10c	Oct. 2	Aug. 25
Do., extra	5c	Oct. 2	Aug. 25

•Distribution from production returns; rate not yet declared.
*Initial.

Week in Wheat

See Price Rise Certain If Britain Goes to War

Canada Would Become Chief Supply of Wheat for Great Britain — Market May Remain Open

From Our Own Correspondent

WINNIPEG. — Wartime handling of Canadian wheat will bring many problems. Their solution will be based on two essential facts.

The first is that Canada has plentiful actual and potential supplies of wheat available for Great Britain.

The second is that Great Britain must be supplied with wheat from Canada, because breadstuffs can be secured from no other source without wasteful expenditure of either shipping or money.

Competitors Out

Argentina and Australia must be counted out almost immediately as sources of British bread in wartime. Shipping can be employed to better advantage than in the long transport of wheat from those countries. Such shipping as is available for voyages to and from Argentina will be fully occupied with handling beef and corn.

From Australia must come wool and mutton, with no valuable shipping space wasted by seeking wheat cargoes in her far distant ports. As for the Black Sea, even if Russia and the Danubian countries are able and willing to furnish wheat, the Mediterranean route is too risky for any but absolutely vital use in wartime.

U. S. Eliminated

It is for other reasons that the United States will probably be eliminated as a wartime source of wheat supplies, in spite of the fact that the United States has a wheat surplus which recently it has been trying to dump abroad. Available credits are expected to be much too valuable for other purposes to divert to the purchase of wheat in that country when an alternative supply from Canada is available.

If Britain needs our wheat, Canada has plenty this year. An export surplus of approximately 400 million bushels, counting carryover and new crop would take care of British needs for the better part of two years.

Transport Problem

The next problem is the ocean transport of such wheat. It will be transported because it must be. Without it the population of Great Britain would starve. The British navy must keep the sea lanes open if Britain is to be fed, beyond the few months limit of estimated food reserves.

Some ships carrying wheat will probably be lost. Whatever the number, or the percentage, it simply means that correspondingly more wheat must be shipped in order to secure the safe arrival of the necessary quantity.

To actual British needs for wheat for bread, there must probably be added large additional supplies of wheat for livestock feed, to replace Argentine corn and other feeds normally imported. There must be added, too, some considerable needs for France. France has wheat enough for a year, at her recent rate of consumption. But she must supply wheat in vastly increased quantity to keep [illegible] fed millions of men under arms.

France must [illegible] greatly decreased wheat production in 1940, unless manpower can be quickly restored to the fields in preparation for next year's crop. Inevitably France will go on growing a lot of wheat. But it will be uneconomic to consume manpower in growing as much wheat as in peacetime, when men can be of greater use elsewhere, and when wheat can be grown on this side of the Atlantic at a great deal less cost.

Neutral Nations' Needs

Neutral countries, and especially Switzerland, Belgium, Holland and Denmark, and to a much smaller extent Norway and Sweden, will require wheat imports, and they are likely to be cut off from usual Argentine and Black Sea supplies by the scarcity of shipping. They are likely to secure their supplies largely in the United States, and to have it carried in neutral bottoms.

Once another Canadian crop seems securely in prospect it will probably be sound from a financial standpoint to sell as much wheat to neutrals as can be spared, provided there can be assurance against it going to enemy countries. But it is doubtful if British shipping would be risked at sea for the sake of carrying on such trade with neutrals.

It has been suggested in various quarters that upon the outbreak of war the open market for wheat would promptly be closed by the Government of Canada, and that the Wheat Board would become the sole marketing channel for Canadian wheat. In other quarters it is suggested that the functions of the Wheat Board would largely disappear for a time, as the market, if left open, would probably offer prices in excess of the basic price of 70 cents a bushel which the Wheat Board has been paying as an initial price.

Experience in 1914

During the last war the wheat market remained open for the marketing of the crops of 1914, 1915 and 1916. It was not closed until September, 1917. The 1914 crop realized an average price of $1.32 (basis No. 1 Northern, Fort William) and that of 1915, marketed during the Dardanelles campaign which sought to open the route to Russia, nearly 20 cents a bushel lower at $1.13.

The 1916 crop year saw the advent of high wheat prices, with an average of over $2 a bushel, until the Board of Grain Supervisors was appointed in June, 1917, and offered $2.40 a bushel for the remainder of the 1916 harvest, $2.21 for the crop of 1917, and $2.24 for the crop of 1918. The market was closed for the purpose of checking further price rises, a fact which has remained in the recollection of every farmer who grew wheat during those times.

Higher Price Demand

The Government might decide to close the wheat market promptly on the outbreak of hostilities. If so, it will be met with an immediate demand for a price basis considerably higher than 70 cents a bushel. And western farmers feel they will have a reasonable case for such a demand. They have during the past few years, suffered enormous losses from low prices of wheat, because the international price level was driven down by the subsidized competition of the Argentine, Danubian countries, Australia, France, and the United States.

When the British Government is paying the British farmer the equivalent of $1.25 a bushel for inferior wheat, and will probably pay him more to stimulate his efforts in wartime, the farmer of western Canada will consider that he ought to have at least $1 per bushel when his product becomes of vital importance to Imperial defense.

Bargaining Necessary

It will not satisfy our farmers to be told that the 70 cents a bushel paid by the Canadian Wheat Board is only an initial price. The only way in which it can be sold for more is for the Canadian Government to bargain with the British Government for a higher price. If the farmer is not able to bargain with the British Government through the medium of the open market, it means that the Canadian Government must bargain on his behalf.

At 70 cents a bushel, in the case of war, farmers would consider themselves inadequately paid, and would want to hold back as much wheat as possible, in the hope that a higher price would become effective next year. The ability of farmers to hold wheat is of course limited, both because of financial difficulties and lack of storage space. There would be no danger of unduly limiting available supplies by all the holding back of wheat which farmers could practise this crop year.

Closing of Market

Closing the Winnipeg market might be considered unnecessary and undesirable so long as markets in the United States remain open. Prices prevailing at Chicago would then become the sole available criterion of prices which ought to be, or which might be, in effect for Canadian wheat.

Price bargaining may seem to comport ill with preparations for Canada to make a common effort with Great Britain and France in a struggle which will involve the utmost effort on the part of every country engaged. But questions of price are hardly to be escaped. It can be argued that the financial strength of Canada, and the ability of this country to make the maximum effort, are bound up in no small measure with the question of price that is to be applicable to wartime wheat supplies.

OTTAWA PLANS

From Our Own Correspondent

OTTAWA. — While the Government in event of war will set up a food control board which will assure the maximum production and delivery of all foodstuffs to the allied countries, the main preoccupation at the moment is with wheat.

The officials of the Wheat Board have been marking time at Ottawa since the onset of the crisis, unable to chart a clear course until the issue of peace or war is decided.

In the event of war, the present wheat board would be powerless to control the market or the stocks under any wheat legislation now on the statute books. A compulsory wheat board could be established under the War Measures Act, but the Government is unlikely to do this without the approval of parliament. With such point in mind, a draft for a compulsory wheat board act is already in existence.

If war breaks out the demand for Canadian wheat, it is expected, will be very great and stimulation of acreage is almost certain. It is strongly felt at Ottawa, however, that steps must be taken to prevent a permanent expansion in acreage, such as occurred in the last war. The expansion, it is suggested, must be a part of the war effort and the war acreage must be retired when peace returns. Just how this could be worked out, however, no one seems to know.

Western Crop Bigger, Better

From Our Own Correspondent

WINNIPEG.—As threshing of the western crop proceeds, it is evident that more and better wheat has been produced this year than was estimated a few weeks ago. Evidently farmers and observers, impressed by the fact that the crop would not be able to live up to its earlier promises, tended to exaggerate damage by drought and heat in July.

Until very recently all estimates of western wheat production were under 400 million bushels. Now they are all above that level, and some of them very considerably above. Highest published estimate is 431 million bushels. Grades are turning out reasonably well, and there is a smaller percentage of light and shrunken wheat than was at first expected.

Prices Jump Nervously But Volume is Small

Fear of Government Restriction and Confiscation of Stocks in Event of War Checks Buying Enthusiasm

From Our Own Correspondent

WINNIPEG.—All influences operating in the wheat market this week could be traced directly to fluctuations in the intensity of war fears. When the crisis seemed most acute, and markets were awaiting the outbreak of hostilities, influence of war fears produced smaller bullish effects than might have been expected. Some purely speculative buying came into the market, and some presumably intended as a hedge against expected inflation. Total buying, however, was not as great as the extent of price fluctuations might have suggested. Small volume brought about considerable changes.

Overseas Buying Hampered

There has been some increase in bookings for overseas shipment. But buyers across the Atlantic apparently are under no great pressure to load up. They have become accustomed to the idea that in case of war it will be a government function to provide stocks of food in importing countries, and also to see that no great profits are made on previously accumulated supplies.

Exporters, too, anxious as they were to do business, found their activities severely limited by three important risks. It was difficult to book freight space, impossible to know if the bookings would hold good if war should break out, and finally no certainty of the rate on foreign exchange rate.

Will Use More Wheat

Decline in sterling has been accepted as a bearish factor on the Winnipeg market, while in Liverpool it was interpreted as bullish. Past experience suggests that the effects of such a development in increasing British prices are slower to materialize than effects in Canada in reducing Canadian prices.

Mobilization of troops in Europe, whether fighting actually results or not, means a great increase in the consumption of breadstuffs, and need for additional quantities of wheat. Increase in buying of food reserves both on the part of governments and of private individuals is a probability if normal trade conditions are restored.

Banks Extend Montreal Note

Do So at Premier Duplessis' Behest—Still Critical of Fiscal Policy

From Our Own Correspondent

MONTREAL.—The City of Montreal's bankers, Royal Bank of Canada, the Bank of Montreal, the Banque Provinciale and the Banque Canadianne Nationale, have agreed to a four-month extension of the $3 millions note which became due on Aug. 29. The extension was granted at the request of Premier Duplessis, who is said to have convinced the banks that there was nothing else to do but to extend the note.

The $3 millions loan has been extended twice since May 1 when it was made. In its request for another extension on Aug. 24, the city administration listed a number of so-called fiscal reforms it had instituted as grounds for a further extension.

Grudging Consent

The banks have not been impressed by the list of reforms. The following letter sent to the city by S. G. Dobson, general manager of the Royal Bank of Canada, is typical of the letters sent by the other three banks:

"We acknowledge receipt of your letter of the 24th instant in which you ask that a further extension of the time of payment be granted for the loan of $3,000,000 which matures on the 29th instant. Subsequent to receipt of your letter, the Prime Minister of the Province of Quebec has requested that the banks renew the loan for a further period of four months and we now have to advise you that in compliance with this request we are willing to grant an extension of our portion of the loan for such a period.

"We have read the comments of the Executive Committee contained in your letter regarding the city's affairs and while these deal in a general way with the matter we are disappointed that they do not embody a concrete plan for the rehabilitation of the financial position of the city. Nor do we see any reference to definite economies to be effected in its administration."

More Than Asked

No particular reason is given for the changed attitude of the banks, nor is there any explanation for the extension of the note for another four months, when the City only requested a three months' hoist.

In asking for the shorter extension, Mayor Houde claimed to know that the Sirois report on Dominion-Provincial Relations would be handed down within that period and would recommend that the Federal Government ease the debt burden of provinces and municipalities.

Foreign Exchange

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Aug. 28	1.02⅞	1.00
Aug. 26	1.02¼	1.01⅛
Aug. 25	1.00⅞	1.00
Aug. 24	1.00⅛	1.00 1/64
Aug. 23	1.00 1/64	1.00 1/64
Aug. 22	1.00 1/64	1.00 1/64

U. K. Pound	Closing	Last Year
Aug. 28	4.40	4.88⅝
Aug. 26	4.55	4.88⅞
Aug. 25	4.54½	4.89¼
Aug. 24	4.71⅜	4.89⅞
Aug. 23	4.68¼	4.89¾
Aug. 22	4.68⅛	4.89⅞

Other Currencies, Aug. 28

Australia	3.52⅜	Italy	.0541⅜
Belgium	.1738	Japan	.....
Denmark	.....	Jugoslavia	.....
France	2.52	N. Zealand	3.55⅝
Germany	.4074	Norway	.....
Greece	.....	S. Africa	4.39⅜
Holland	.5514	Sweden	.....
Hungary	.....	Switzerland	.2325
India	.....	Hong Kong	.2814

Wheat Board Ready For War

But So Far No Restrictions on Free Offerings

From Our Own Correspondent

OTTAWA.—With nerves strained to the breaking point, the trade and the general public are finding the wheat market as difficult to understand and to handle as an outlaw prairie colt.

During the past 10 days of crisis the market has fluctuated widely in response to various rumors and reports which, upon investigation, have been proved baseless. Meantime the Wheat Board officials are standing by at Ottawa ready for immediate consultation with the Government in the event of war.

The points for decision and action which would immediately arise if war is declared are so numerous that it is impossible to discuss them. But of the broad policy which would be followed, there is no doubt. Canada's wheat stocks would be placed, without reservation, at the disposal of the British Government. The policy which would be followed would be worked out in consultation with London.

Meantime no radical change in policy is to be made. Reports that the Wheat Board has withdrawn offers of wheat from the market are untrue. The board is carrying on as usual, neither glutting nor starving the market. And no request from London has yet been received to conserve existing stocks for Britain's use.

Commodity Prices

In spite of the threat of war, prices of commodities have again been irregular.

Wheat responded to the war news more freely perhaps than any other commodity but cattle, on the other hand, were lower as also was cotton. Sugar, like wheat, was strong on war buying.

	Latest week	Previous week	Same week last yr.
Cattle	$6.75	$7.00	$7.35
Hogs	8.65	8.50	9.75
Copper, lb.	.10½	.10½	.10⅛
Cotton, lb.	.0904	.0922	.0842
Rubber, lb.	.1685	.1675	.1657
Sugar, raw, lb.	.0290	.0283	.0280
Silk, lb.	2.64	2.67	1.79½
Wheat, Man. (bu.)	.59	.56⅝	.66⅝
Coffee, lb.	.05⅛	.05⅛	.05¾
Hides	.10½	.11	.11½
Weekly Indices			
Canada (D.B.S.)	71.9	72.1	75.8
Do., Wood, Gundy	53.9	53.7	54.4
U. S. Labor	74.6	74.8	77.4
Dow Jones (future)	47.98	47.06	48.10
Crumps (Brit.)	70.8	70.7	72.6
Fishers'	78.1	77.8	80.4
Monthly Indices			
Canada (D.B.S.):			
Retail (July)	83.1	82.9	84.2
W'sale (July)	72.6	73.3	78.6
U. S. (June)	75.6	76.2	78.3
Gt. Brit. (June)	98.1	97.8	100.7

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

Hamilton United Offers To Buy Preference Stock

Hamilton United Theatres Ltd. has sent a notice to preference shareholders, offering to purchase for redemption a number of preference shares. Shareholders are asked to write to the secretary of the company at the company's head office, Room 1200, Royal Bank Building, Toronto, specifying number of shares offered and price.

Abitibi Appoints New Chief Engineer

W. J. Zimmerman has been appointed chief engineer by Abitibi Power & Paper Co. Mr. Zimmerman will make his headquarters in Toronto. He has been chief engineer for the Mead Corp., makers of book and specialty papers in the United States, since 1927.

Staff Changes

The Dominion Bank announces the following staff changes:

A. A. ATKINSON, manager at Vancouver, to be a supervisor at head office.

C. W. JONES, manager at Calgary, to be manager at Vancouver.

B. E. HULL, manager at Moose Jaw, to be manager at Calgary.

A. TOMKINS, manager at Selkirk, Man., to be manager at Moose Jaw.

A. S. JAMIESON, manager at Beaubien & Christopher Colomb Sts., Montreal, to be manager at St. Jean Baptiste Market branch, Montreal, replacing I. H. GORDON, absent on sick leave.

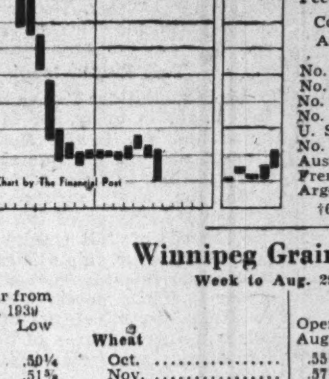
R. A. GLENDINNING, manager at Deloraine, Man., to be manager at Selkirk, Man.

J. ADDISON, accountant at Winnipeg, to be manager at Deloraine, Man.

E. M. G. McPHERSON, to be manager at Beaubien & Christopher Colomb Sts., Montreal.

N. L. SMITH, accountant at Timmins, Ont., to be manager at Porcupine, Ont.

Wheat Prices



(Cash Quotations)

	For Week Aug. 29 High	For Week Aug. 29 Low	Prev. Week High	Prev. Week Low
1 Hard	.62¼	.56½	.56⅞	.52⅜
1 Northern	.62	.56	.56⅜	.52
2 Northern	.58½	.52½	.53⅛	.48⅝
3 Northern	.54½	.48¾	.49⅜	.45
4 Northern	.51¼	.45	.46⅛	.41⅜
5 Wheat	.46¼	.40⅛	.42⅛	.37¼
6 Wheat	.41¾	.36	.37⅝	.32⅞
Feed Wheat	.41¼	.35½	.37⅛	.32⅜

Combined Export Prices:
Aug.-Sept. shipments.

	Week to	Aug. 29
No. 1 North. (Vanc.)	.76⅞	.71¾
No. 3 North. (Atlan.)	.71⅛	.66⅛
No. 1 North. (Atlan.)	.78⅜	.73⅛
No. 2 North. (Atlan.)	.74¾	.69½
U. S. Dark Winters	.59¼	.59¼
No. 2 U. S. Red Winters	.49	.49
Australian (afloat)	.60⅛	.56¼
French, soft	.52	.52
Argentine Rosafe†	.55¾	.51⅝

†63½ lb. May.

Winnipeg Grain Futures

Week to Aug. 29, 1939

Crop year from Aug. 1, 1939 High	Low		Open Aug. 23	High for week	Low for week	Close Aug. 29	Close year ago
		Wheat					
.64¼	.50¼	Oct.	.55⅛	.64¼	.55	.55½	.64⅜
.65¼	.51⅜	Nov.	.57⅛	.65¼	.56¾	.57⅛	.64½
.65⅛	.51½	Dec.	.56½	.65⅛	.56½	.56⅞	.63⅞
.68	.54⅞	May	.60⅛	.68	.59⅞	.60⅛	.67½
		Oats					
.30⅝	.26⅝	Oct.	.28⅞	.30⅝	.28⅜	.28¾	.30⅞
.29½	.26⅛	Dec.	.27⅞	.29½	.27⅜	.27⅛	.29½
.30½	.27½	May	.29⅝	.30½	.28⅝	.28½	.31½
		Barley					
.37½	.33⅛	Oct.	.34½	.37½	.34¼	.34⅜	.37½
.37⅛	.33	Oct. (new)	.34⅛	.37⅛	.33	.33	.....
.37½	.32⅝	Dec.	.33¼	.37½	.32⅝	.32⅝	.37½
.38¾	.33¾	May	.35	.37½	.33⅞	.33⅝	.39⅛
		Flax					
1.41¼	1.26¼	Oct.	1.35	1.41¼	1.29¼	1.29¼	1.41
1.37	1.23¾	Dec.	....	1.37	1.26½	1.26½	1.40½
		Rye					
.44	.36½	Oct.	.35⅝	.44	.38	.38½	.39⅜
.43⅞	.37⅛	Dec.	.39⅝	.43⅞	.39	.39¼	.40⅛
.45⅞	.40	May	.42¾	.45⅞	.41½	.41⅝	.42½

Canadian Car Concludes Deal

Will Undertake to Make Aircraft for Mexican Government

From Our Own Correspondent

MONTREAL.—Arrangements have been concluded between the Mexican Government and Canadian Car and Foundry Co. covering the "construction and repair of airplanes for the Federal Government and the construction, repair and sale of airplanes to third parties."

The contract was negotiated by Howard F. Klein and the decree approving the arrangement was signed by President Cardenas and countersigned by the Mexican ministers of finance and national defense.

Build Grumman Fighters

This brings to an end negotiations which have been going on for some months between the Government and Canadian Car. The initial contract entered into between the Government, as owners of the plant, and the Canadian company called for the construction of 60 Grumman two-seater fighting planes.

The present factory in Mexico City was used for the production of aircraft some time ago, but has since been remodelled by Canadian Car. Agreement to operate the plant in a managerial capacity was made some months ago.

The dispatch from Mexico City says that arrangements were made on the understanding that a certain number of American technicians would be employed at the plant as skilled Canadian workers could not be spared.

Montreal Dry Docks Ltd. Will Repair "Rose Castle"

From Our Own Correspondent

MONTREAL. — Montreal Dry Docks Ltd., subsidiary of Canadian Vickers, will repair the coasting freighter Rose Castle of the Dominion Coal Co. This boat had a collision with the German ship Johannes Molkenbuhr off Bic Island last week, but damage was not sufficient to prevent her continuing on to Montreal to discharge her coal cargo.

Plan Presented For Dairy Corp.

Meeting in October Will Consider Daly Scheme

A new plan for the reorganization of Dairy Corp. was informally discussed at the meeting of debenture holders Aug. 29. The scheme would eliminate funded debt of the company and provide for the issue of new preferred and common.

Details of the plan, presented by R. A. Daly, vice-president, have not been worked out in their entirety yet, but it is probable that they will be ready for submission to debenture holders and shareholders about Oct. 1.

The plan provides that present holders of the 6% sinking fund debentures would receive $50 par value of new 5% preferred stock and 10 shares of new common stock, for every $100 par value of present debentures. Class A and B shareholders would receive one new share of common stock for each 10 shares of present stock.

Retain Control

Debenture holders would receive 7,156 preference shares with a par value of $357,800 if the plan became operative. They would also receive 71,560 shares of new common, leaving control of the new company in the hands of the present debenture holders.

Holders of class A and class B shares would receive 12,845 shares of new common.

The Aug. 29 meeting was a postponed gathering of debenture holders from Aug. 15, when a deadlock occurred.

Provisions of the new preferred have not been determined, but it is believed that the shares would be redeemable at par and restrictions placed upon dividend payments. In the first five years payments would be restricted to amounts earned. No dividends could be paid while present bank loans are outstanding without consent of the creditor.

Montreal Markets Cut Board Lots on $100 Shares

From Our Own Correspondent

MONTREAL.—Montreal Stock Exchange and Montreal Curb Market announced a new ruling to the effect that in future a board lot on all securities selling at $100 and over will consist of ten shares.

DIVIDEND NOTICES

Canada Malting Co., Limited

DIVIDEND NOTICE

NOTICE is hereby given that a regular quarterly dividend of Thirty-Seven and one-half cents (37½c) per share has been declared on the no par value stock of the Company. The above dividend is payable September 15, 1939, to Shareholders of record at the close of business on the 31st day of August, 1939. The books of the Company are to be closed from September 1st, 1939, to September 14th, 1939, inclusive.

Share Warrant Holders will present Coupon Serial No. 47 to the Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on or after September 15th, 1939.

By order of the Board.
JOHN P. HEIGHTON,
Secretary.

Dated at Montreal,
August 25th, 1939.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE IS HEREBY GIVEN that an Interim Dividend (No. 134) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Saturday, the 30th day of September, 1939, to shareholders of record at the close of business on Friday, the 8th day of September, 1939.

A Semi-Annual Dividend (No. 55) of three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Saturday, the 30th day of September, 1939, to shareholders of record at the close of business on Friday, the 8th day of September, 1939.

By Order of the Board.
F. P. L. LANE,
Secretary.

Montreal, P.Q.
28th August, 1939.

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared, payable October 14th, 1939, to shareholders of record at the close of business, September 30th, 1939.

By order of the Board.
CHAS. W. ADAM,
Secretary.

DIVIDEND NOTICE

God's Lake Gold Mines Limited

(No Personal Liability)

NOTICE is hereby given that a dividend of five cents (5c) per share has been declared and will be payable on the 1st day of October, 1939 to shareholders of record at the close of business on the 15th day of September, 1939.

By order of the Board.
Fred Larn,
Secretary-Treasurer.

A. J. PATTISON JR. & CO Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

MONDAY, THE SECOND DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1939.

By order of the Board.
Walter F. Watkins,
Secretary.

Toronto, August 16th, 1939.

Canadian Wirebound Boxes Limited

Dividend Notice

The Directors of the Company have declared a dividend of thirty-seven and one-half cents (37½c) per share on account of arrears on the class "A" shares of the Company, payable October 1st, 1939, to shareholders of record the close of business on September 15th, 1939.

By order of the Board,
J. P. BERNEY,
Secretary.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND OF ONE AND THREE QUARTERS PERCENT (1¾%), being at the rate of seven percent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of September next to shareholders of record at the close of business on the 31st day of August, 1939.

BY ORDER OF THE BOARD,
CHAS. GURNHAM,
SECRETARY-TREASURER.

Valleyfield, August 24th, 1939.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A DIVIDEND OF ONE HALF OF ONE PERCENT (½%) has been declared upon the Common Stock of the Company, and cheques will be mailed on the fifteenth day of September next to shareholders of record at the close of business on the 31st day of August, 1939.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, August 24th, 1939.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A dividend of Two Dollars per share has been declared payable on the 16th day of October, 1939, to shareholders of record at the close of business on the 23rd of September, 1939.

F. G. WEBBER,
Secretary.

Montreal, August 23, 1939.

DIVIDEND NOTICE

The Cariboo Gold Quartz Mining Company Limited

(Non-Personal Liability)

DIVIDEND NO. 16

NOTICE IS HEREBY GIVEN that a quarterly dividend of four cents (4c) per share and an extra dividend of one cent (1c) per share, on the paid up capital stock of the Company, is payable October 2nd, 1939 to Shareholders of record September 7th, 1939.

The Books of the Company will be closed for the transfer of shares from September 8th to September 10th, inclusive.

By Order of the Board.
J. R. V. DUNLOP,
Secretary-Treasurer.

Vancouver, B.C.
August 16th, 1939.

DIVIDEND NOTICES

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1939, payable 16th October 1939, to shareholders of record 30th September, 1939.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, August 23rd, 1939.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited for the quarter ending 30th September, 1939, payable 2nd October, 1939, to shareholders of record 15th September, 1939.

By order of the Board.
L. P. WEBSTER,
Secretary

Montreal, August 23rd, 1939.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 59, quarterly, $1.75 per share, payable October 16th, 1939.

No Par Value Common Stock

No. 41 quarterly, 30c. per share, payable October 25th, 1939,
to holders of record at the close of business September 30th, 1939.

L. C. HASKELL, F.C.I.S.,
Secretary.

August 22nd, 1939.

DIVIDEND NOTICES

DIVIDEND

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending September 30th, 1939, payable October 2nd, 1939, to shareholders of record at the close of business September 15th, 1939.

By Order of the Board.
E. W. McNEILL,
Secretary.

Dated at Toronto, August 17th, 1939.

DIVIDEND NOTICES

The Ontario Loan and Debenture Company

209th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of $1.25 per share for the current quarter ending 30th September, 1939, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 2nd October, 1939, to Shareholders of record of the 15th September, 1939.

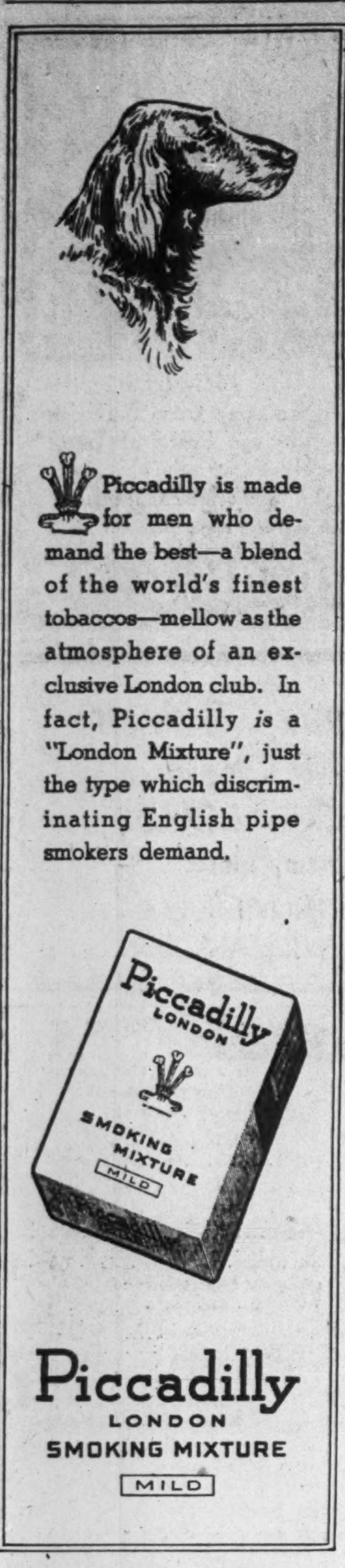
By Order of the Board.
T. H. MAIN, Manager.

London, Ontario, 29th August, 1939.

GRAIN MERCHANTS
IN CANADA SINCE 1857
RECEIVERS · SHIPPERS · EXPORTERS
Owning and Operating Terminal, Transfer and Country Elevators
Capacity 12,500,000 Bushels
MEMBERS
Winnipeg Grain Exchange
Chicago Board of Trade
New York Produce Exchange
and other Exchanges
Executive Offices, WINNIPEG •• Private wires connecting offices across Canada
JAMES RICHARDSON & SONS
LIMITED

HALLET - CAREY - SWART
LIMITED
GRAIN - STOCKS - BONDS
Exporters - Grain Futures
Head Office — WINNIPEG, Man.
Branch — FORT WILLIAM, Ont.

THE DOMINION LIFE ASSURANCE COMPANY
The Complete Life Insurance Programme takes care of "Depreciation" in the Human Machinery.
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO ONTARIO



Piccadilly is made for men who demand the best—a blend of the world's finest tobaccos—mellow as the atmosphere of an exclusive London club. In fact, Piccadilly *is* a "London Mixture", just the type which discriminating English pipe smokers demand.

Piccadilly
LONDON
SMOKING MIXTURE
MILD

THE SAFE CONVENIENT WAY TO CARRY MONEY
Canadian Pacific Express
TRAVELLERS CHEQUES
OBTAINABLE FROM ALL CANADIAN PACIFIC AGENTS AND MOST BANKS

To The Travelling Public:
HOTEL LONDON
London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.
Soliciting your appreciated patronage,
H. F. STRUCKETT,
Manager.

MOUNT ROYAL HOTEL
THE *Heart of Montreal*
For BUSINESS OR PLEASURE *it's the* MOUNT ROYAL HOTEL
J. ALDERIC RAYMOND VERNON G. CARDY

TRADE WITH GREAT BRITAIN
The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.
Head Office:
EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2
ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)
Total Assets ..... $429,679,150 ($5 to £1)
Associated Bank:
Williams Deacon's Bank Ltd.

Banking

Immobility Of Labor Is Factor In Inflation

Deficit Spending by Government Not Always Means of Full Employment—Need of Avoiding Obstacles to Private Enterprise Stressed by Graham F. Towers

This is the thirteenth of a series of articles reviewing the evidence presented before the House of Commons Committee on Banking and Commerce.

By D. G. MacLEAN
Staff Writer, The Financial Post

If private enterprise is to remain the vital force in a nation's business, care should be taken that government policies do not discourage it, Graham F. Towers told the House of Commons Committee on Banking and Commerce. Deficit spending by governments he intimated was not always a way to full employment in a country, especially one such as Canada where labor was not particularly mobile.

The great problem facing Canada, he added, was whether it should stake its future on increased exports or greater self-sufficiency. The criterion of the desirability or otherwise of government expenditures he said, was that it should strengthen the competitive position of the country's business rather than weaken it by increasing overhead or fixed operating expenses by going farther into debt.

By reason of Canada's export trade, where prices are largely beyond her control, Mr. Towers stated that the emphasis must always be on costs. For this reason, Canada was more limited in any government expenditures she might adopt than either Britain or the United States.

The Bank of Canada's governor's remarks were made in the course of an analysis he made at the request of R. J. Deachman, M.P., of a paragraph which had appeared in The Economist under the title of "Full Employment." Mr. Deachman was dealing with the effect of low prices and high costs on employment.

Fall Employment

When submitting his question, Mr. Deachman, to bring out the points he wished Mr. Towers specially to discuss, divided the quotation into three sections as follows:

"In the most widely accepted economic doctrines of the moment, the concept of 'full employment' is one of peculiar importance. Until 'full employment' is reached, any increase in the monetary demand for goods has the effect, not of putting prices up, so much as of attracting into employment resources of labor and capital that were previously standing idle.

"Until 'full employment' is reached, so runs the theory, the creation of new demand by expansion of credit cannot result in what is commonly called inflation; on the contrary, it diminishes unemployment and by increasing the national income, gives rise to savings that offset the original creation of credit.

"But after 'full employment' is reached, any further expenditure out of credit expansion or money creation will not increase production or diminish unemployment: it will merely enhance prices and start the revolving spiral of inflation. In the laymen's language 'full employment' is the point at which the financing of government deficits by credit expansion ceases to be 'sound finance' and becomes 'unsound finance.'

Similar to Canada

Mr. Deachman after reading the first section said:

"They speak here of a condition... such as we have today of considerable unemployment and abundance of capital and labor. But looking at it from an economic standpoint, is not the failure to employ the capital and labor which we have in Canada at the present time, the result of either high cost of production or low prices; and therefore you must have either a reduction in costs of production to increase profits or an increase in the price level of the products produced which will call into activity, the capital for the production of more goods."

Mr. Deachman said he believed there must be some adjustments between costs and prices before our resources of men and capital could be utilized fully. Unless prices move up or costs come down, expansion will not take place.

Mr. Towers: "You are thinking there, I expect, of certain groups of prices rather than the price level as a whole."

Industrial Activity

Mr. Deachman: "I am thinking particularly of industrial activity.. In 1937 there was a pretty fair volume of industrial activity in, say the textile industry, in Canada. Through conditions which arose.... that demand fell off. In my view it is a lack of purchasing power or of markets for the basic industries of the nation and the relative spread in price levels coupled....with high taxes..... ....Unless this situation is adjusted," Mr. Deachman stated, "it would be difficult to draw much capital into the textile industry."

Another consideration brought up by Mr. Deachman was whether activity could be increased by government spending. He answered this himself by saying that if conditions did not encourage private investment, it would be difficult to believe the government could invest profitably. "Is it possible," he asked. "to find investments (of benefit to the country such as roads or public buildings) which will not, in the long run, result in the actual loss of capital invested?"

Mr. Towers, in reply, stated that the test of profitability which is applied to private investments is not always applied to government ones. He amplified this by stating that private investors have to see an actual or probable return on the capital invested, while a government can say that a return is indirect through some benefit to the country.

Spiral of Inflation

Mr. Towers in a prepared statement dealing with the quotation from The Economist, stated that no fault could be found with the statement that "after full expansion is reached, any further expenditure out of credit expansion or money creation would only increase prices and start the revolving spiral of inflation." The balance of the quotation, he stated, merely said in effect "if this theory is correct it is vitally important for us in Great Britain to determine how close we are to full employment." Mr. Towers also stated that The Economist had elsewhere indicated that the matter could not be considered in round numbers of unemployment. Spending by governments might cause employment in certain industries to reach its maximum before it did in others. This would mean that there would be inflation in some industries while the total figures for unemployment remained large. Such a condition, he noted, would be very marked in Canada, where distances make mobility of labor and industry as in the case of the farmers particularly low. This immobility of labor, Mr. Towers emphasized, limits the validity of the theory that deficit spending by governments cannot cause inflation while the total figure for unemployment remains large.

Exports of Capital Goods

Mr. Deachman earlier had stated that Canada's present active balance of payments allows some leeway for an increase of imports. In reply, Mr. Towers referred to the fact that a large part of the increase in exports had been accomplished by large exports of resources such as non-ferrous metals that were not being replaced. It was possible, he stated, to argue that an increase in consumable imports should, as it has done, wait upon a growth in exports of the type which do not deplete our natural resources, and that the proceeds of quasi-capital exports such as metals and forest products should be invested either in imports of capital goods or in repatriation of foreign debt. During the last six years, because openings for profitable, private capital investments in Canada appeared lacking, the result has naturally been the latter of two alternatives. The total amount of bonds of all types repatriated in the years 1932 to 1937 was reported by Mr. Towers at $447 millions.

Mr. Towers stated that the question whether a programme of government investment to stimulate imports of capital goods such as machinery etc. would have been preferable to the type of investment that has taken place, that is repatriation of foreign debts, was a matter of government policy.

Decline Shown In Bank Debits

Monthly Total Lower Than in 1938 — Seven Months Figures Up

Canadians cashed cheques to the amount of $2.3 billions in July, a decrease of 3.6% from 1938. Compared with June there was an even more substantial decline of 11%. The cumulative figures for the first seven months of the year, however, made a more cheerful picture being almost 3% above the same period in 1938.

The decline in comparison with July, 1938, was due to recessions in Ontario and Quebec, the decreases in those provinces being 8.2% and 7.7% respectively. Each of the other three economic areas in Canada recorded increases over last year.

Compared with June, only one of the five economic areas, British Columbia was higher.

For the seven months period, however, gains were distributed over the whole five areas.

Debits to Individual Accounts
(Millions of Dollars)

	July, 1939	June, 1939	July, 1938
Maritimes:			
Halifax	30.6	27.7	30.5
Moncton	9.6	9.4	8.8
Saint John	16.1	16.0	16.7
Total	56.4	53.2	56.1
Quebec:			
Montreal	702.7	837.9	794.9
Quebec	92.3	86.5	67.0
Sherbrooke	7.3	7.2	7.0
Total	802.3	931.7	869.0
Ontario:			
Brantford	8.8	9.3	9.6
Chatham	7.2	13.6	6.9
Fort William	5.5	5.6	5.6
Hamilton	53.9	54.0	54.9
Kingston	5.5	5.8	5.7
Kitchener	11.7	11.3	10.8
London	28.5	35.2	33.0
Ottawa	118.6	113.1	114.5
Peterborough	6.2	5.9	5.8
Sarnia	5.9	8.8	6.5
Sudbury	7.2	7.2	7.6
Toronto	706.2	972.6	791.3
Windsor	32.4	38.6	34.1
Total	997.8	1,281.5	1,086.8
Prairies:			
Brandon	2.7	2.9	2.9
Calgary	45.1	48.0	42.6
Edmonton	36.5	46.9	34.4
Lethbridge	4.3	4.0	3.6
Medicine Hat	2.1	2.0	2.1
Moose Jaw	5.4	5.6	4.4
Prince Albert	2.2	2.2	2.1
Regina	38.8	36.5	39.6
Saskatoon	8.5	8.2	8.9
Winnipeg	205.6	232.2	152.9
Total	351.4	388.8	293.8
British Columbia:			
New Westminster	6.6	7.4	6.4
Vancouver	125.5	129.4	117.1
Victoria	36.3	39.0	37.0
Total	168.5	175.8	160.6
Total for Canada	2,376.5	2,381.1	2,466.4

Weekly Bank Clearings

	Aug. 24 1939 $	Change Yr. Ago %	Aug. 17 1939 $
Halifax	2,165,767	—1.3	2,237,465
Saint John	1,790,327	+14.8	1,670,598
Moncton	757,316	—6.6	685,140
Sherbrooke	723,235	+15.6	707,873
Quebec	4,501,713	+13.4	5,823,994
Montreal	85,829,415	+5.2	91,942,676
Ottawa	12,955,525	—10.6	13,838,209
Peterborough	526,586	—5.4	586,711
Toronto	88,068,313	+4.3	95,090,447
Hamilton	4,957,673	+13.1	4,670,637
Kitchener	972,782	+4.9	988,563
Kingston	605,357	....	517,242
London	2,058,302	—2.5	2,242,809
Chatham	436,103	+12.7	510,443
Windsor	2,345,070	+18.6	2,575,801
Sarnia	453,149	—5.3	445,123
Sudbury	1,000,511	—0.5	971,296
Brantford	726,825	—6.5	705,074
Fort William	788,472	—6.2	727,121
Winnipeg	48,174,130	—86.8	32,548,691
Brandon	294,735	—7.2	291,488
Regina	3,026,047	—9.3	2,845,028
Saskatoon	1,077,488	—10.2	1,101,699
Prince Albert	292,813	+8.8	302,275
Moose Jaw	528,427	—5.3	527,408
Edmonton	3,702,162	+4.6	4,003,742
Lethbridge	473,182	+12.1	506,601
Medicine Hat	229,921	+48.6	183,066
N. W'minster	617,987	—3.4	638,676
Vancouver	19,445,935	+24.7	16,241,621
Victoria	1,549,077	+1.1	......
Calgary	4,441,316	+5.3	4,213,493

ON TEXTILE BOARD

Archie F. Baillie, vice-president of Dominion Oilcloth & Linoleum Co. Ltd., who has been elected a director of Dominion Textile Company Ltd.

Insurance Notes

There will be no cut in insurance rates on shipping out of Hudson Bay this season according to an official announcement, but a reduction may be made for 1940 if 20 or more cargoes are taken from Churchill this year without mishap. The Imperial Shipping Committee which examines marine insurance rates each year in London in making its announcement through the Transport Department at Ottawa said the Hudson Bay route need not be considered more risky than the St. Lawrence, apart from the delay in getting salvage if a mishap occurred late in the season. The new large crop is expected to result in heavier shipments from Churchill this year.

* * *

Following the presentation of the report on Compulsory Automobile Insurance by H. G. Garrett at the convention of the provincial superintendents of insurance in Montreal last week, R. Leighton Foster, counsel for the Canadian Life Insurance Officers Association, and former superintendent of insurance for Ontario, stated that the conference would be well advised to leave the matter alone. It was a matter of Government policy which did not really concern the conference, he said, and it was felt by many that the plan was not practicable. Mr. Garrett explained that the report had been prepared at the request of two provincial attorneys-general and was only intended to be informative.

* * *

H. B. Berwick supervisor of field service for the Manufacturers Life Insurance Co. is scheduled to address the convention of the company's agency force for Great Britain at Le Touquet, France. Following the convention, Mr. Berwick will spend some time at the company's chief office for Great Britain at London and will attend various agency meetings in the British Isles. The Manufacturers now has over $30 millions of business in force in Great Britain.

Bank of Canada Weekly Statement

In its statement for the week ended Aug. 23, the Bank of Canada reports an increase of $3.2 millions in holdings of United States and sterling exchange. This is regarded in some quarters as preparation for any need for foreign exchange which might result from the outbreak of war. Investments in Dominion Government bonds were also higher.

These changes were offset on the liability side, by an increase of $1.1 million in note circulation, reflecting an increased demand for cash and higher deposits by the chartered banks with the central bank.

Balance Sheet

	Aug. 23 1939 $	Aug. 16 1939 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	174,183,792	173,079,308
Rest fund	1,903,515	1,903,515
Depos.: Dominion	28,889,928	28,609,911
Banks	203,160,513	201,032,682
Other	8,566,740	8,110,790
Total deposits	240,617,181	237,753,383
All other liabs.	3,283,236	2,833,242
Total liabs.	424,987,724	420,569,448
Assets		
Reserve: Gold	205,191,062	205,159,277
Res. in sterling and U. S.	54,135,781	50,870,651
Other curr.	401	401
Total reserve	259,327,244	256,030,329
Subsidiary coin	410,088	420,374
Investments:		
Dom. govt. short	108,394,361	107,493,768
Other Dom. govt.	51,892,824	51,648,632
Total invest.	160,287,185	159,142,400
Premises	1,660,436	1,660,436
All other assets	3,302,771	3,315,909
	424,987,724	420,569,448
Reserve ratio	62.52%	62.31%

Insurance

Superintendents Draft New Clause On Suicide

Recommend Legalizing Payment of Policy When Insured Commits Suicide—Would Raise One-Year Term on Fire Policies

From Our Own Correspondent

MONTREAL.—The annual convention of provincial superintendents of insurance was a fairly harmonious gathering, more so than many similar gatherings in the past. This does not mean that there was no differences of opinion. There were, on such matters as statutory conditions of fire insurance policies and the definition of the term group, as applied to accident and sickness insurance.

Even among the superintendents it was evident that there were sharp differences when Hartley D. McNairn, of Ontario, told Georges La France, of Quebec, that he did not see eye to eye with him on automobile insurance rates. But there was little of the heated argument that sometimes has been seen.

The public sessions of the conference are more of a clearing house for ideas than a place for action. Action comes afterward in the private sessions of the superintendents when a number of resolutions are passed. Often the superintendents do not agree among themselves. The text of the resolutions, however, is always awaited with much interest as they often forecast legislation to be introduced later by provincial legislatures.

Wants Conference in September

Two suggestions by W. E. D. Baldwin, manager for Canada, of the America Fore group met with the approval of many of the company executives. They were:

That the superintendents should delay their convention till September.

That the various reports of committees which have been working during the year should be distributed to those interested, earlier than they usually are, to give a better opportunity for their study.

On the first suggestion Mr. Baldwin stated that if the convention were held in September, it would be of great advantage to the insurance fraternity. He pointed out what every insurance editor knows, that insurance men generally look on July and August as holiday months. Many of them are away themselves and those at home with skeleton office staffs do not find it easy to attend convention. He admitted that it had been the custom to have the superintendents convention immediately following the meeting of the Canadian Bar Association; but that after all it was an insurance convention and the benefits that would accrue to holding it later in the season would outweigh the disadvantages.

On the second suggestion, Mr. Baldwin stressed the point that in order to speak intelligently at the conference it was necessary to have the reports well ahead of time.

H. G. Garrett, the president, stated that both suggestions would receive consideration.

Life Men Organized

One noticeable feature of the gathering was the way in which the life insurance men were organized. Whenever a topic of interest to the life men came up, they were well prepared under the leadership of Leighton Foster, general counsel of the Canadian Life Insurance Officers Association. In different instances, presentation of the life companies' views had evidently been assigned to certain men, who, while stating the views of their own companies, also were conversant with the general viewpoint.

Resolutions

Life Insurance—Among the more important resolutions passed was one recommending that the provinces add a clause to their insurance acts making legal the payment of proceeds of life policies when the insured commits suicide. This was thought desirable in view of a recent decision in England whereby the courts held that a life insurance company was not required to pay on a policy in case of suicide. Canadian companies had been in the practice of paying after a stated period had elapsed, or in some cases before. But this legislation is considered desirable to protect them against criticism from other policyholders for doing so.

Group Insurance

A special subcommittee from Ontario and Quebec is to be appointed to get information from life companies on types of group life insurance in Canada, forms of policies and applications, etc. Another committee from Alberta and Manitoba is to draft a definition of group insurance before the next conference.

Fire Insurance—The superintendents recommended:

That provinces having passed an amendment to their insurance acts removing the limitation of one year on industrial fire risks written by stock companies bring them into force by Jan. 1, 1940 and that other provinces enact similar amendments as soon as possible. The amendment was passed by the Ontario legislature at last session but proclamation has been delayed.

That insurers should amend provisions in endorsements on personal property floater policies to remove any doubts as to rights of insured where a primary fire policy is in force covering the same property. Superintendents, it was also recommended, should take action where necessary to enforce compliance.

Report Forwarded

Automobile—The report by H. G. Garrett on compulsory automobile insurance is to be forwarded to attorneys-general and highways officers in various provinces.

Accident and Sickness—The suggestion that authority to issue ticket accident policies through any agent without including the statutory conditions in the contract was not accepted.

It was recommended that a definition of group accident and sickness should be contingent on the adoption of a definition of group life insurance.

Statement blanks—It was recommended:

That Ontario and Quebec prepare the basis of uniform statistics for all branches of insurance for the annual reports of the insurance departments.

Licensing of Agents—Companies other than life are asked to consider through their representatives the preparation and adoption of intercompany agreements for the selection and recommendation of agents for license. Life companies are requested to file with the superintendents a copy of the intercompany agreements regarding licensing and regulating agents as soon as suggested amendments have been completed.

Officers of the association for the coming year are Hon. president, Hon. W. J. Major, attorney-general of Manitoba; president, H. D. McNairn, K.C., superintendent for Ontario; vice-president, E. B. McLatchy, superintendent for New Brunswick; secretary, Wilson E. McLean, deputy superintendent and legislative counsel for Manitoba; assistant secretary, John Edwards, actuary, Ontario Department of Insurance. This is the first time since 1924 that the secretaryship has passed from the Province of Ontario.

Insurance Men Asked For Sabotage Protection

Insurance companies have been receiving enquiries regarding sabotage insurance. The enquiries have come from businessmen with plants or warehouses which they fear might be damaged by enemy sympathizers in event of war.

These enquiries have had the insurance men more or less stymied because sabotage insurance is something that few if any Canadian insurance men appear to have written. One insurance manager described it to The Financial Post as a sort of hybrid between riot, civil commotion insurance and war risks. Definition of it appears to be lacking. In the list of insurance definitions, tentatively submitted at the conference of insurance superintendents in Victoria a year ago there was no mention of either sabotage or war risks insurance.

The general meaning of sabotage is malicious destruction of a person's property. The usual reference is to the property of an employer being destroyed or damaged by a disgruntled employee. It also has the meaning of damage by an enemy of the country in which the property is located. The term was widely used at the time of the sinking of the two submarines of the British and United States navies.

Civil commotion insurance is defined as "insurance against damage to property of any kind caused by bombardment, invasion, insurrection, riot, civil war or commotion or military or usurped power." As there is no definition of "riot" or "riot and civil commotion" insurance it is evident that the committee in charge of definitions meant to include riot in civil commotion coverage.

This definition it would appear, however, does not specifically cover the act of sabotage.

One executive stated that as far as he could determine a rate could be struck for sabotage insurance by adding 10% to the ordinary war risk rate.

On the other hand, it is claimed that all protection would be given by the addition of an ordinary war risk clause to an ordinary fire policy.

In Montreal

men of affairs naturally stop at the Windsor because of its reputation for dignified comfort and unobtrusive, courteous service and its convenient location—and because the Windsor is recognized as the proper place for business and social meetings.

THE Windsor
ON DOMINION SQUARE

J. ALDERIC RAYMOND
Vice-President

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

C. R. DEY, manager, Victory Square, Vancouver, to be assistant manager at Montreal.

W. M. BLACKSTOCK, assistant inspector, Vancouver, to be manager, Victory Square, Vancouver.

The Bank of Nova Scotia announces the following staff changes:

W. G. HENDERSON to be manager at Bloor & Spadina, Toronto.

L. B. C. McMANN, manager at Bloor & Spadina, Toronto, retired on pension.

H. A. FILLMORE to be accountant, Saint John, N.B.

E. MARABOTTO to be accountant, Cienfuegos, Cuba.

Upward Trend In Life Sales

Total for Canada and Newfoundland Higher—Six Provinces Gain

Life insurance sales in Canada and Newfoundland in July at $32.2 millions were 5.25% above 1938. Increases were shown in six of the nine provinces. Those where declines occurred were British Columbia, Alberta and Prince Edward Island. Newfoundland was also lower.

Owing to a reclassification of a block of intermediate insurance from the industrial account to the ordinary, it is stated by the Life Insurance Sales Research Bureau of Hartford, a revision of the sales for 1938 has been necessitated. The revised figures including this type of business follow:

Life Insurance Sales
(000's of $)

	—July— 1939	—July— 1938	Change 1939 %
Brit. Columbia	2,457	2,637	—6.82
Alberta	1,311	1,313	—0.14
Saskatchewan	947	809	+17.07
Manitoba	2,127	1,879	+13.19
Ontario	14,616	13,521	+8.09
Quebec	8,012	7,963	+0.62
New Brunswick	737	716	+2.93
Nova Scotia	1,511	1,221	+23.75
Pr. Ed. Island	200	225	—11.11
Newfoundland	326	351	—7.12
	32,244	30,635	+5.25

Sales by Months, 1936-1939

	1936	1937	1938	1939
Jan.	33,347	27,789	31,287	30,434
Feb.	28,834	30,619	31,796	30,879
Mar.	30,552	32,322	33,461	33,578
Apr.	28,876	32,562	30,612	28,229
May	28,411	31,916	31,016	33,657
June	31,247	37,908	35,660	35,766
July	31,397	32,040	30,635	32,244
Aug.	23,547	28,411	28,446	.....
Sept.	28,090	27,730	27,928	.....
Oct.	29,402	33,416	32,372	.....
Nov.	36,710	38,020	37,167	.....
Dec.	34,146	37,125	36,475	.....

THE WAWANESA
Mutual Insurance Co.
Assets $2,234,188.78
Surplus 1,057,853.38
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

FIDELITY
Insurance Company
of Canada
TORONTO

HOME
ASSURANCE COMPANY
OF CANADA
Head Office
Lancaster Bldg., Calgary
Fire, Automobile, Health & Accident Insurance
Application for Agencies Invited.

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CONFEDERATION LIFE
ASSOCIATION
ONE OF THE WORLD'S GREAT LIFE INSURANCE INSTITUTIONS
RENOWNED FOR STRENGTH, SERVICE AND SECURITY SINCE 1871

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS
MUTUAL INSURANCE COMPANY
Vance C. Smith, Chief Agent Concourse Building, T

The Independent Order of Foresters

The Certificates issued by The Independent Order of Foresters furnish a wide range of insurance protection. Membership covering in addition valuable fraternal benefits.

Mortuary Benefits, Sick Benefits, Disability Benefits, Old Age Benefits, Monthly Income Disability, Automatic Non-forfeiture Privileges, and Certificates maturing at ages sixty and sixty-five.

ASSETS OVER $44,000,000.00
FRANK E. HAND, *Supreme Chief Ranger*
Head Office: Toronto, Canada

FIRE AND WINDSTORM
INSURANCE
DEPENDABLE SECURITY
This outstanding Western Company operates in exact compliance with the Dominion Insurance Act. Investments are selected for safety and risks are carefully chosen, providing "Portage" policyholders with dependable security at minimum cost.
THE SHIELD OF PROTECTION
THE PORTAGE MUTUAL INSURANCE CO.
MUTUAL SERVICE WITH SECURITY
ESTABLISHED 1884
99
The PORTAGE LA PRAIRIE
MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, EDMONTON

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
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Aircraft Stocks

I would like your opinion on the advisability of investing in aircraft stocks.

Canadian aircraft manufacturing companies have not yet been able to establish any important earning power, nor does it appear that the immediate future will see any great improvement. For the most part these companies are operated as side-lines by some of the larger Canadian companies such as National Steel Car, Canadian Vickers and Canadian Car and Foundry.

The Canadian market itself does not appear large enough to support all of these companies on a profitable basis in so far as aircraft activities are concerned. Their chief hope has been orders from Britain for military aircraft and, more recently, from France. The expenses of preparing and equipping large amounts of plants to make these aircrafts has been heavy and has required large amounts of capital.

As much of this work has been done within the past couple of years, there has not yet been any great return. We would regard the aircraft industry as an investment as somewhat speculative. There is also the additional point to be remembered that an aircraft industry built up on the needs for military aircraft must sooner or later lack orders in the event that actual war does not take place. Of course, in the event of an outbreak of war the situation would be different.

Insurance Exchange Bldg.

I hold an Insurance Exchange Building bond and am wondering whether I should accept 35% of its face value in cash or 60% in new bonds. This alternative is offered under the recent reorganization plan. Will the company be able to earn and pay interest on the new bonds?

There is no assurance the company will be able to pay full interest on the new mortgage bonds which bear interest at the rate of 3% to June 30, 1942; 4% thereafter to and including June 30, 1945; and 5% thereafter to maturity. No doubt you are aware that $350,000 of 5% prior lien bonds are being issued which will be a first charge on the property and its earnings.

On the basis of results in the past two years, earnings have not been sufficient to cover interest charges on the new bonds. Operating profit in the year ended April 30, 1938, was $29,069. Assuming that $350,000 of prior lien bonds are issued and that $500,000 of old bonds are converted into cash, then prior lien interest will amount to $16,500 and mortgage interest at 3% will be $19,800, or a total of $36,300.

Alterations at present being made to the building will probably mean some increase in rental. It is impossible to say whether the increase will be sufficient to enable the company to pay full interest charges.

C. P. R.

Kindly give me your candid opinion on the C.P.R. 4% preference stock. What do you think of dividend prospects this year?

Prospects of increased earnings for Canadian Pacific this year look more promising. For the first half, the company reported net earnings from operations of $5,351,343, as against $2,681,029 for the same period in 1938. Net profit available for dividends last year was $1,262,382, or 92 cents a share on the preferred stock. This contrasts with $6.89 a share the year before. Results for 1938 did not warrant the payment of a dividend on the preferred and what action will be taken along these lines for 1939 will depend upon the outcome of the year's operations. However, it is well to bear in mind that if conditions continue to shape up as they have in recent months, there is a better than fair prospect that the management may do something in the way of dividends as a result of 1939 operations.

Silverwood Dairies

Will you kindly outline the position of Silverwood Dairies Ltd. in the dairy industry? How are its bonds regarded?

Silverwood Dairies Ltd. is one of the most successful organizations in the dairy industry. The record of the industry as a whole has not been impressive, but this organization has been well in vanguard of successful dairy companies.

One thing militating against operations of dairy organization is the status of fluid milk. It is subject to much regulation and is in the position of a semi-public utility. In addition, sales tax on ice cream has been particularly burdensome to Silverwood's. In the last annual report, A. E. Silverwood, president, pointed to the fact that the amount paid in tax each year is about equal to the full dividend requirements on the preference stock. Efforts to have this tax annulled have been entirely without success.

In the year ended March 31, 1939, the dairy industry as a whole was adversely affected by conditions in the butter industry, caused chiefly by a weakening of the export market and greatly increased production. This was a substantial source of loss to Silverwood's.

The company has been able to earn bond interest on the 5% first closed and refunding mortgage issue, series A, quite comfortably. In the 1939 fiscal year, interest was earned on the first mortgage bonds, mortgages and mortgage bonds of subsidiaries, 9.47 times before and 4.19 times after depreciation, against 9.37 and 4.49 times, respectively in 1937-38.

On its record of the past few years there appears no reason why the company cannot continue to earn interest charges on its bonds.

International Power

It would be appreciated if you would let us have your views on International Power Co. debenture bonds, which carry a coupon of 6% and mature 1957.

Apparently there is a slight confusion in your mind as regards the debenture debt of International Power Co. The company has outstanding a 6% secured debenture due 1955 and a 6½% gold debenture, unsecured, of 1957. It has no 6% debenture maturing 1957, so we assume that you refer to the 6½% security. Both on a general and a consolidated income basis, the company has shown its ability to cover interest charges. However, its securities have not been especially well-regarded because of the fact that such a large number of the company's properties are located in Central and South American countries which have experienced economic and political difficulties in recent years. Consequently there is a tendency for the market to discount these factors, though, as indicated, the company has met all obligations in respect to its debenture debt.

Consol. Paper Bonds

I hold a Consolidated Paper Corp. bond. What do you think of the immediate outlook for this company? Will the company make its next interest payment in cash?

Operations of Consolidated Paper Corp. for this year are likely to show a moderate gain over those for 1938 when the company operated at a little better than half its capacity. Prospects are that revenues will be on a better scale. Since the end of the year the company has further reduced its bank loan and improved its net working capital position.

As regards the bonds, interest became a fixed charge as from July 1. The company has the option of paying interest either in cash or in stock under certain conditions. There is no indication as to just which policy the company will adopt, but prospects are that the management will continue to conserve cash resources to the end of eliminating bank loans. If that course is followed, then the company will likely avail itself of the option of paying the bond interest in stock for the last half of the year.

Saint John Dry Dock

Will you please let me have a report on the preferred stock of St. John Drydock and Shipbuilding Co.

St. John Drydock & Shipbuilding Co. has outstanding $352,000 of 5½% cumulative preferred shares, which rank junior to $3,360,000 of first mortgage bonds as a charge against earnings. This stock participates with the common in the distribution of dividends under certain conditions and commencing July 1, 1940, the company has agreed to set up a sinking fund for the redemption of the preferred stock. The company's earnings are derived from two sources, namely, Dominion Government subsidy and earnings direct from operations. The subsidy ceases with the payment due Jan., 1959. The annual revenues from the Dominion subsidy should be more than sufficient to provide for paying the annual interest on the bonds and also to cover depreciation. With the exception of 1936, earnings from operations have averaged about two times the dividend requirements on the present issue of the preferred stock.

Can. Northern Power

I should like to have your comments on the bonds and preferred common shares of Canada Northern Power Corp.

The bonds and preferred stock of Canada Northern Power Corp. are regarded as a satisfactory investment medium. Bond interest and preferred dividends have always been earned by a good margin. In 1938 bond interest was earned 3.63 times before depreciation and 2.70 times after depreciation. Earnings on the preferred stock amounted to $22.58 a share as compared with dividend requirements of $7 a share.

The common stock is not as well-regarded although dividends are being covered by a good margin. In 1938 the company earned $2.14 a share on the common stock as against dividends of $1.20 a share. The reason for the large yield on the common stock is uncertainty as regards possible government interference. The Quebec Government is at the present time constructing a power development in the territory served by Canada Northern Power. The new development will serve Noranda Mines, but it is not known whether it will enter into competition elsewhere with Canada Northern Power.

Nat. Life Pres.

Have you any knowledge of an organization named National Life Preserver Co.?

National Life Preserver Co. went into bankruptcy in 1930 and was wound up. Its assets were found to have little value and there was nothing available for shareholders. The company's stock has no value that we know of.

Inter. Hydro Electric

As a subscriber of The Financial Post, I would like to have your report on the debentures of International Hydro-Electric System.

International Hydro-Electric System debentures are not regarded as the type of investment for a person who is not in a position to follow developments. The company's revenues are derived from equity holdings of New England Association and the Gatineau Power Co. For some time International Hydro-Electric system has not received any revenue from its holdings in New England Power. Its revenues from Gatineau Power are now just about sufficient to cover the interest charges of the debentures. As long as revenues from Gatineau Power are maintained, the company should continue to pay interest on its debentures and if, in the interval, New England Power works itself into a position to pay something on its junior securities, then the position of International Hydro-Electric System would undergo a very marked change and the debentures accorded a higher investment rate.

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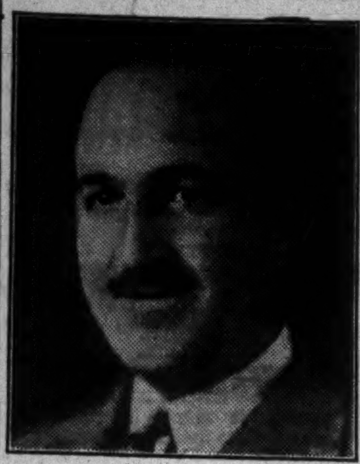

HEADS ACCOUNTANTS

Kenneth W. Dalglish, resident partner in Montreal of the accounting firm of Deloitte, Plender, Haskins & Sells, who was elected president of the Dominion Association of Chartered Accountants at the recent annual convention in Saskatoon. A former president of the Province of Quebec Society of Chartered Accountants, he represented that body on the council of the Dominion Association for three years (1935-38). He has served as chairman of the Dominion body's finance and legislation committees and more recently as member of the association committee on accounting research.

Other officers elected at the Saskatoon meeting were T. Harold Johnson of Halifax and Frederick Johnson of Winnipeg, vice-presidents; Lieut.-Col. A. E. Nash, F.C.A., Toronto, chairman, finance committee; H. G. Norman, Montreal, chairman, legislation committee. Executive committee consists of these officers and E. C. Mapson, Vancouver; W. E. Hodge, Moose Jaw, immediate past-president; and Austin H. Carr, Toronto, secretary-treasurer of the association.

C.N. Revenues Move Upward

August Returns Reveal Net Income — Well Ahead to Date

From Our Own Correspondent

MONTREAL.—Canadian National Railways all inclusive system reports an operating revenue in July of $15,563,648. This compares with $14,176,717 for the same month last year, an increase of $1,386,931.

Operating expenses during July recorded an increase in line with the heavier volume of traffic, but net revenue of $214,927 compares with a deficit of $96,959 a year ago.

Record Good Gain

Cumulative returns for the seven months ended in July show an operating revenue of $103,245,178, an increase of $6,308,902 over the same period the year before. Operating expenses showed an increase of $822,451 to $103,535,668, leaving a net revenue deficit for the year to date of $290,490. This contrasts with a deficit of $5,776,941 for the like period of 1938, indicating a net improvement of $5,486,451.

Comparative returns follow:

	1939 $	1938 $
Month of July		
Oper. revenues	15,563,648	14,176,717
Oper. expenses	15,348,721	14,273,676
Net revenue	214,927	*96,959
Seven Months to July 31		
Oper. revenues	103,245,178	96,936,276
Oper. expenses	103,535,668	102,713,217
Net deficit	290,490	5,776,941

*Deficit.

Public Utility Earnings

Brazilian Traction

	1939 $	1938 $	Decrease $
July			
Gross earn. .	3,024,381	3,269,882	245,501
Oper. exp. ..	1,424,296	1,508,664	84,368
Net earn. ...	1,600,085	1,761,218	161,133
Seven Months			
Gross earn. .	22,364,161	21,743,007	*621,154
Net earn.	11,632,351	11,526,645	*105,706

*Increase.

Liquor Taxes $311 Millions

Since Prohibition Provincial Annual Take $27 Millions

From Our Own Correspondent

OTTAWA.—Figures made available by the Federal Bureau of Statistics disclose that since the passing of prohibition government control of the sale of liquor has poured a net revenue of more than $311 milllions into the coffers of eight of the nine provinces of Canada.

Prince Edward Island, last remaining haven of prohibition in the Dominion, is alone in having failed to participate in the revenue that a system of controlled sale of alcoholic beverages yields—but which a system of bootleg distribution does not contribute.

The figure of $311 millions furnished by the Federal Bureau represents the aggregate net profit that the other eight provinces have derived from their government control operations over periods varying from only nine years in the case of Nova Scotia to 18 years in the cases of Quebec and British Columbia.

At the present time the annual net revenue accruing to these provinces from this source is running somewhere in excess of $27 millions.

In connection with this latter figure, it is interesting to note that the combined expenditures of the eight provinces concerned upon sundry services of major importance to the citizenship run, in the course of a year, approximately as follows:

Upon education, $27 millions.

Upon roads and other transportation services, $21 millions.

Upon the assistance of agriculture, $14 millions.

In other words, at the present time the revenues from the controlled and legal sale of alcohol beverages in eight out of the nine provinces is sufficient to meet the expenditure of those provinces upon education, to more than meet their outlay on the maintenance of roads and other transportation facilities, or to more than meet their annual budget for the encouragement and assistance of agriculture.

Actually, of course, it is impossible to say to which of these purposes the profits of the government control commissions are devoted, since under the system of accounting which all the provinces employ, all receipts go simply into a consolidated revenue fund, without being ear-marked for any specific purpose.

What is obvious, however, regardless of the particular object to which the government control profits have been devoted, is that their total—the exact figure is $311,101,405—represents the amount by which the burden on provincial taxpayers has been eased since the bootlegger, who contributes none of his profits to any public treasury, has been ousted.

By provinces the revenues which the various government control commissions have earned since the passing of prohibition are:

Nova Scotia (since 1930)	$5,036,157.
New Brunswick (since 1926)	$9,762,375.
Quebec (since 1921)	$99,037,629.
Ontario (since 1926)	$82,321,450.
Manitoba (since 1925)	$16,728,164.
Saskatchewan (since 1925)	$20,980,122.
Alberta (since 1924)	$24,747,294.
British Columbia (since 1921)	$52,488,214.

Europe Electric Will Liquidate

Holding Company for Italian Stocks Takes Steps to Wind Up

From Our Own Correspondent

MONTREAL.—Directors of European Electric Corp. will meet in Venice this week end to wind up the corporation.

This company, whose shares are traded in on the Montreal Curb Market and the New York Curb Exchange, acts as a holding and investment company. Its principal investment is in the shares of Adriatic Electric Co., an Italian company, which constitutes nearly 89% of the company's total holdings.

Market value of the company's holdings of Adriatic Electric securities amounted to $18,849,991 at the end of 1938. Book value of these shares at the same date was $21,629,558, having been reduced by $3.9 millions by a transfer from surplus in order to bring this investment into closer alignment with market valuation.

Under Italian Control

The company had outstanding at the end of last year $13,143,220 of class A common stock divided into shares with a par value of $10 each and $5 millions of class B stock of the same par value.

There is Italian, English, American and Canadian capital in the company, with the larger share being put up by Italian interests.

Impetus Given Drive to Bar Imports of Used Plumbing

Increasing momentum is being gained by a renewed campaign by Canadian makers and distributors of plumbing, against an enlarged volume of secondhand plumbing fixtures being imported into Canada from the United States.

Given initial impetus by Sanitary Engineer, trade journal of the industry, and supported by the Canadian Institute of Plumbing and Heating, the new drive is aimed primarily to arouse public support through educational methods. The campaign has already achieved preliminary results. Among these are:

1. Inclusion in the draft plumbing section of the National Building Code, now in course of preparation, of power to control or even ban used plumbing and heating materials (imported or otherwise) in building construction.

2. Enlistment of the sympathetic interest and support of the Ministers of Health of the Dominion and Ontario, and awakening of a number of local officials to the dangers of the situation.

3. Reflection in many other publications of the vigorous and persistent campaign in Sanitary Engineer, seeking to stir public opinion and bring action by public authorities to check inflow of secondhand materials.

While the National Building Code, when published, will not be compulsory upon local or provincial authorities, it is expected that it will be adopted by local authorities as a pattern for building regulations. In any event, it is felt, inclusion of the ban on used plumbing materials will likely be imitated in many localities.

Objectives of the Canadian Institute of Plumbing and Heating are stated as:

1. An ultimate embargo on importation of used plumbing and heating materials, similar to those put on secondhand imports of mattresses and other materials.
2. Rigid inspection regulations on local installations, such as the curbs becoming increasingly prevalent in various parts of the United States.
3. Barring use of secondhand materials in construction financed through the National Housing Act or Home Improvement Plan.

Proposal by the Institute for an embargo in 1937 proved abortive, though it did result in raising of valuation for duty purposes on used plumbing fixtures and closer inspection of imports. Two years ago, the request for an embargo was rejected on the ground that volume of such imports was not of sufficient proportions to warrant prohibitive action.

It is now contended by Sanitary Engineer that the relatively small traffic of 1937 has grown to alarming proportions, chiefly because of large quantities of used materials thrown on the United States market by big slum clearance projects in American cities. Disposal of these secondhand stocks in the United States has been curtailed, it is said, by restrictions of local and state authorities in the United States on installations of used fixtures.

As a result, the United States stocks on hand have been largely diverted to Canada, and imports are reported reaching Canadian points as widely scattered as Halifax, Saint John, Montreal, Hamilton, Windsor and Winnipeg, while in Montreal alone, the number of establishments handling the imports has grown from two to seven.

Lack of Prospect for Orders May Close Up Boeing Plant

From Our Own Correspondent

VANCOUVER. — Because of the discouraging policy of the Canadian Department of Defense and failure to obtain orders from other important buyers, Boeing Aircraft of Canada may be compelled to shut down its operations in Vancouver within the next six months.

The only order now being handled by Boeing is one for 17 light bombers awarded last year by the Canadian Government. The first of these craft was delivered early in August, and if the present schedule is maintained the last of them will be completed by early next year.

It is understood that Boeing Aircraft of Seattle, the parent company, still has a controlling interest in the Vancouver organization. At the annual meeting in Seattle the president stated that it was considered desirable to dispose of the Canadian subsidiary as under the present set-up it was difficult to obtain government contracts.

Unconfirmed reports on the coast are to the effect that Canadian Car & Foundry may take over the Boeing plant as a Pacific coast operation along lines similar to those adopted by Hamilton Bridge when it established Hamilton Bridge (Western) in Vancouver several years ago. There are no current indications, however, that Canadian Car is actively interested at present in this possibility.

REPORTS UNCONFIRMED

From Our Own Correspondent

MONTREAL.—Reports that the Boeing Aircraft plant in Vancouver will be taken over by Canadian Car and Foundry Co. lack official confirmation.

New Books . . . .

The Living Great in Canada

WHO'S WHO IN CANADA. Edited by B. M. Greene. Published by International Press, Toronto. Price $10.

It takes nearly 1,600 pages to list all the people who, in the judgment of the publishers, rate a biography in "Who's Who in Canada." The new 1939 volume is just off the press and it is a weighty product, both in the labor involved and in the size of the book itself. The editor is again B. M. Greene, head of the International Press, who deserves the substantial congratulations of the community for his dogged tenacity in bringing out this standard reference book every couple of years during war and peace, depression and prosperity.

Reviewing a "Who's Who" is like reviewing a dictionary. But there are some points to make about this volume apart from the fact that it is broadly inclusive of the people that newspaper writers, businessmen and others want to "look up" from time to time. For instance, several hundred new names appear, chiefly of educators, scientists, clergymen and writers. No "Who's Who" can be complete without a long list of such people. We presume that, as in former years, a large proportion of the people represented in the volume have paid to be represented. We happen to have rather deep convictions on the propriety of any "Who's Who" volume accepting payment for the publication of biographies, but the point may not be one to stress too heavily in a country providing as small a market for such books as Canada does.

Newfoundlanders are again well represented, a most valuable feature.

This is the twenty-seventh year of issue and the book measures up to the standard set by its predecessors which is no low standard indeed.

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G. M. Gathorne-Hardy recalls "The Fourteen Points and the Treaty of Versailles." H. D. Henderson's pamphlet is on the subject of "Colonies and Raw Materials."

Practically all these writers have written longer books on these subjects but they have been able to compress into very small space the highlights of subjects on which they have written with such authority.

New Business Library

AMERICAN BUSINESS FUNDAMENTALS. Editor-in-chief, Justin H. Moore. Published by Longmans, Green & Co., Toronto. Price $1.25 per volume.

This is a new and very valuable series of practical text giving, as the editor puts it "in books of small compass the distilled essence of each subject."

Inexpensively printed and bound in order to keep down the cost, they are apparently complete and exceedingly well edited. Each of the two volumes that have already appeared runs to upward of 200 pages and comes close to being a complete course on the subject in question.

Of particular interest to Canadians is "Investment Principles in Practice" by L. W. Grossman. There is a thorough study of the practical problems of investment in the light of present day conditions.

Another of the group is "Law of Business Corporations" by Lewis Mayers. The "law" in question is naturally American business law, but as the emphasis is upon fundamentals the volume is not without its value to the Canadian reader.

Should future books in this series maintain the standard of the present two, the library would prove exceedingly valuable, particularly to younger men in business.

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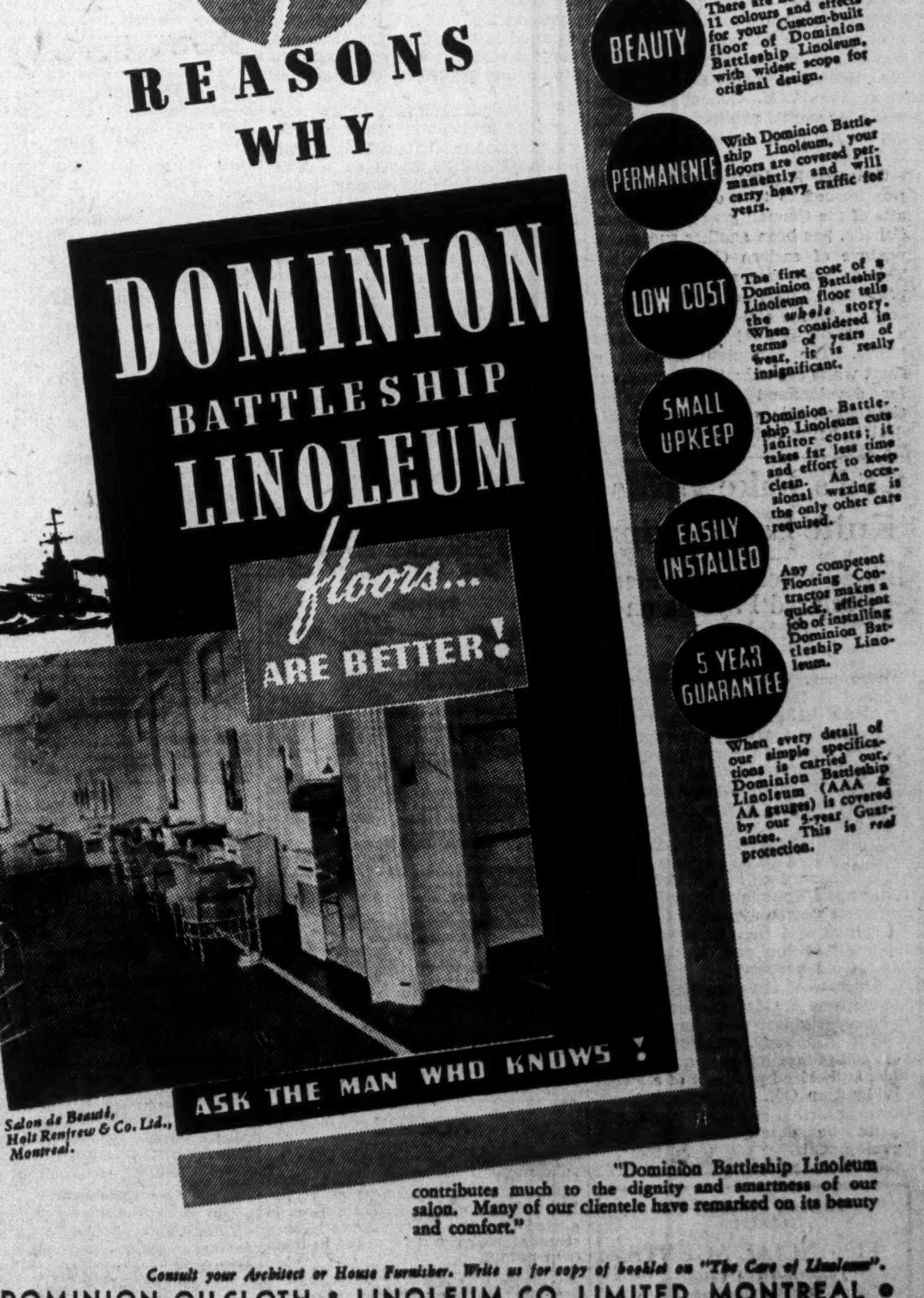

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Week in Mining

Mining Mart Fluctuates As Peace Chances Vary

Gold Stocks Show Weakness and Base Metals Affected — Canadian Dollar Drop in New York May Aid Gold Mines

The mining market fluctuated violently the last week, following closely the trend of the European political picture. Selling was definitely in the preponderance but the market showed rallying ability after each downward step. Gold stocks were particularly singled out for disposal and even base metal issues came in for some realization.

Apparently public opinion leans to the belief that gold stocks will fare badly in the event of protracted hostilities. Increased costs of operation would seem definitely on the agenda for wartime both in the form of higher supply costs and bigger wages. Withdrawal of support of the British pound, however, is now regarded as a bullish factor which might offset the effect of increased costs, at least in part.

If the Canadian dollar could decline 3% below the United States dollar, as it did last week, making a Canadian price of $36 an ounce for gold, an actual war might cause a still more severe decline, especially if this country should be involved itself. This would mean more revenue for gold mines. Another possibility, but not on the bullish side from the viewpoint of the gold producer, is that the United States might not want to acquire large British and French gold holdings at $35 an ounce in payment for supplies in war time, and, to prevent this, might stop paying $35 an ounce. If the States were to hold most of the world's gold it might be in the unfortunate position of having something no one wanted or could afford to buy. There is such a thing as public opinion, however, and public opinion might dictate that the United States should continue to pay its present price for gold to aid warring democracies.

* * *

May Remove Quotas

Unrestricted production of copper may result from heavy world-wide demand cutting materially into supplies of the refined metal, it is learned. The International Copper Cartel, which controls practically all production outside the United States, Canada and Soviet Russia, is at present carrying on production at 105% of standard, quotas being raised to that figure on Aug. 16 last from 95%. Standard capacity of 100% is roughly 61% of actual capacity, so that lifting of output restrictions would result in a large new production of copper.

That recent heavy buying of copper represents wholly an increased demand appears dubious. Large purchases by European nations represent in part a building up of war stocks and if war should not occur the necessity would then arise of liquidating these. On the other hand, if war should evolve, purchases already made by European governments would probably prove entirely inadequate. It must be realized, however, that industrial demand for copper has materially improved; this is particularly true of the United States.

Although buying of copper has been strong, little change in price has been noted with export copper at New York still holding slightly over 10.5c. a pound. Some sources in the trade feel that a higher price would now be in effect except for the recent drop in the pound sterling.

* * *

Eastern Capital

In recent years, eastern Canada mining interests have been paying more attention to possibilities on the west coast. Nesbitt, Thomson & Co. was one of the early groups financing Hedley Mascot Gold Mines, while the F. M. Connell interests made the capital available for building the mill of Privateer Mine in the Zeballos area.

Conwest Exploration Co., which was formed to take over the interests of the Connell group in western Canada, has been another successful venture of eastern Canada capital. This company has a profitable gold producer in its Willow Creek property in Alaska and is also financing a mill for Mount Zeballos Gold Mines. The Hammell interests a short while ago submitted a proposal for development of the Zeballos Gold Peak Mines property but this deal is being held up by litigation. Another property at Kutze Inlet was examined by Alex. Hattie and G. G. Campbell, Hammell engineers, but here transportation conditions are apparently not economical. The Kutze Inlet property is located about 17 miles back from the Surf Inlet operation.

* * *

Study B.C. Methods

State supervisors of CCC and WPA training projects in Washington, Idaho and other western states are taking interest in British Columbia's summer mining training camps and have sent representatives to the province to study the system

According to Hon. W. J. Asseltine, British Columbia's minister of mines, the state authorities are seriously considering the advisability of adopting similar schemes.

The states, especially Washington, are examining the policy of the provincial government in building mining roads and trails. This work has passed the experimental stage and has accomplished practical results not only by providing employment for young men but by opening up areas that would otherwise be neglected.

* * *

Government Grubstaking

Next year much more extensive training will be provided for the men in mining camps so as to equip them for prospecting in the northern interior. The course this summer is tantamount to that of the first year at university, according to Asseltine. It is hoped that the industry will absorb many of the youths after they have been given a few years' training.

Meanwhile the Government is proceeding with plans for the grubstaking of between 200 and 300 specially trained young men who will prospect for metals along the proposed route of the Alaska Highway. Prospectors and geologists will go north as soon as the highway route has been surveyed.

As part of its plan for ascertaining the industrial possibilities of the north, the Government is financing the drilling of wildcat oil wells near Pouce Coupe in the Peace River country.

God's Lake Drills Knife Lake Claims

Initial 5-cent Dividend Declared Payable on October 1

From Our Own Correspondent

Winnipeg. — Drilling has commenced on the Knife Lake property of God's Lake Gold Mines which was recently located by prospectors 7 miles south of the main property.

Surface work indicated a promising ore body but as there is considerable overburden it was decided the best method of prospecting it was with the diamond drill. God's Lake Gold is stated to be anxious to discover other mines in the locality, as it has at its Kanuchuan Power plant, sufficient power available for other operations and the result would be lowering of the cost to the God's Lake Gold property.

Directors of the company, including Thomas A. Gass, Toronto, visited the property last week in company with R. J. Jowsey, president, and at a directors meeting held on their return, authorized payment of a 5 cent dividend on Oct. 1, making it clear, however, that future payments would be determined by mine developments.

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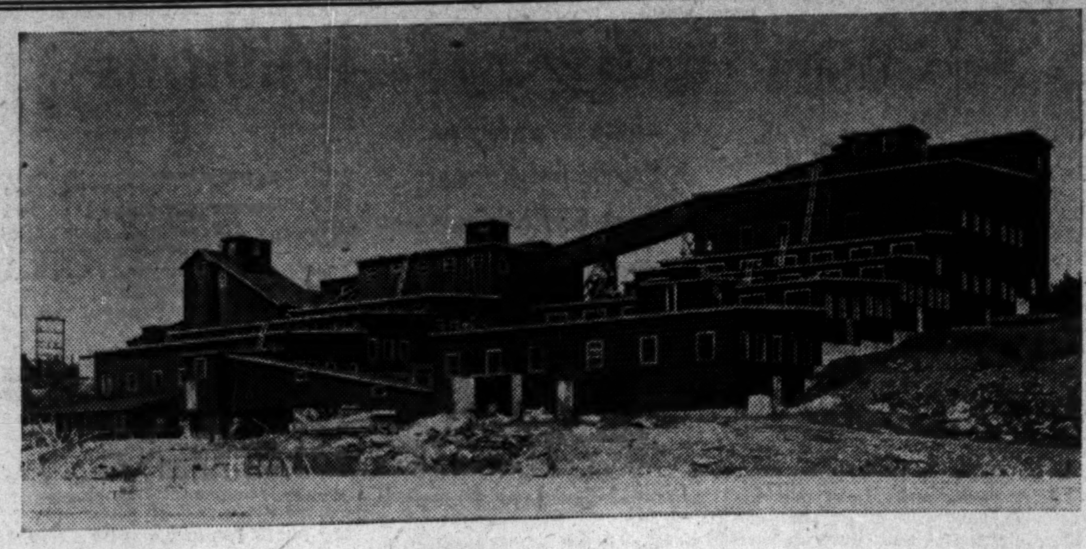

SETS NEW RECORDS

Mill tonnage and total recovery at Paymaster Consolidated Mines in July were both all-time records. The company has been able to increase both total production and ore reserves each year since commencement of milling in September, 1934. Work at present is being concentrated on the opening up of ore shoots on new deep levels. This work, it is understood, is meeting with considerable success.

Start Drilling Alexo Holding

Will Test Continuity of Old Nickel Find—Ore Shipper

From Our Own Correspondent

SUDBURY. — Diamond drillers have been sent to the property of Alexo Mining Co., near Porquis Junction, just northeast of the Porcupine field, where a programme of drilling is to be undertaken near the operations of 25 years ago, to test chances for continuity of the nickel deposit discovered back in 1908.

The find was made at that time by Alexander Kelso following a report of O. L. S. Griffin, who had laid out the township in 1904, that he had noted "a very strong variation of the compass" along a ridge of rocks in the southeastern part of the township. Kelso found a vein carrying nickel and copper which he staked out as a mining claim. Assays of the ore gave as high as 11.46% in nickel but a considerable portion was shown to be low grade. Compared with typical Sudbury ore there was much less copper.

Shipped to Mond Nickel

During the early period of the Great War productive operations were carried on, and over 35,000 tons was shipped to the Mond Nickel Company, Sudbury, by whom it was smelted at Victoria Mines with the ore from the company's own mines. The shipments averaged 4% nickel, or around $20 per ton.

In 1913 a small steam plant was installed, and a shaft was sunk to the 200-ft. level.

While the original deposit is of small size, it is stated that geological conditions suggest other ore. The neighborhood of the Alexo is in the main covered with drift, and so far no extensions or duplications of the vein have been found, the property remaining inactive since the Great War.

The Alexo Mining Company Ltd. was incorporated under the Ontario Companies Act on January 8, 1913, with an authorized capital of $40,000, composed of 40,000 shares of $1 par value.

Ontario Gold Output Is Above 1938 Figure

Production of gold from all Ontario mines amounted to 1,516,607 oz. in the first six months of 1939, an increase of 10.5% over the 1,372,610 oz. reported last year. At $35 an ounce, the 1939 recovery was worth $53,081,245 against $48,264,456 the first half of 1938.

Figures just released by the Ontario Department of Mines also reveal that of the 1,516,607 oz. of gold produced in 1939, 38,627 oz. was recovered by the nickel-copper industry and practically the entire balance from gold mines.

Porcupine continued to be the major producing area the first half of the present year with output of $22.7 millions being realized from milling of 2,507,327 tons of ore, an average of $9.04. The Kirkland Lake area was next in line with an output of $17.1 millions from 1,162,664 tons of ore, an average recovery of $14.72 per ton. The Thunder Bay district, including the Little Long Lac area, was next in line in point of total recovery with an output of $3.8 millions being obtained from 337,689 tons of ore treated.

Details of production at a number of the gold mines, including several on which information has not previously been available, is given below:

Sylvanite

	2nd qu.	1st qu.
Total recovery	$618,481	$577,266
Tons milled	49,210	49,010
Average recovery	$12.57	$11.78
Tons daily	541	545

Hollinger Consolidated

	2nd qu.	1st qu.
Total recovery	$3,819,875	$3,635,656
Tons milled	429,793	423,270
Average recovery	$8.89	$8.59
Tons daily	4,723	4,703

Hollinger Ross

	2nd qu.	1st qu.
Total recovery	$122,141	$107,493
Tons milled	13,092	12,020
Average recovery	$9.33	$8.94
Tons daily	144	134

Preston East Dome

	2nd qu.	*1st qu.
Total recovery	$415,936	$63,160
Tons milled	32,455	9,761
Average recovery	$12.82	$6.47
Tons daily	357	......

*Milling commenced March 1.

Delnite Mines

	2nd qu.	1st qu.
Total recovery	$220,020	$194,892
Tons milled	28,661	24,872
Average recovery	$7.68	$7.84
Tons daily	315	276

Naybob

	2nd qu.	1st qu.
Total recovery	$44,687	$31,513
Tons milled	9,906	8,910
Average recovery	$4.51	$3.54
Tons daily	109	99

De Santis Porcupine

	*2nd qu.
Total recovery	$38,674
Tons milled	7,855
Average recovery	$4.92
Tons daily	......

*Milling started first week of May.

Mace Gold Mines

	2nd qu.	1st qu.
Total recovery	$43,537	$58,927
Tons milled	11,109	11,045
Average recovery ...	$3.83	$5.34
Tons daily	122	123

Lake Shore

	2nd qu.	1st qu.
Total recovery	$3,597,129	$3,433,483
Tons milled	227,183	219,342
Average recovery ...	$15.83	$15.65
Tons daily	2,496	2,437

Teck-Hughes

	2nd qu.	1st qu.
Total recovery	$896,647	$819,079
Tons milled	97,635	96,040
Average recovery ...	$9.18	$8.53
Tons daily	1,073	1,067

Wright-Hargreaves

	2nd qu.	1st qu.
Total recovery	$1,983,386	$1,979,257
Tons milled	109,600	107,620
Average recovery ...	$18.10	$18.39
Tons daily	1,204	1,196

Little Long Lac

	2nd qu.	1st qu.
Total recovery	$405,432	$405,242
Tons milled	25,717	25,590
Average recovery ...	$15.77	$15.84
Tons daily	283	284

Sand River

	2nd qu.	1st qu.
Total recovery	$107,819	$115,010
Tons milled	9,682	9,592
Average recovery ...	$11.14	$11.99
Tons daily	106	107

Tombill

	2nd qu.	1st qu.
Total recovery	$136,790	$148,557
Tons milled	10,048	8,992
Average recovery ...	$13.61	$16.52
Tons daily	110	100

Uchi Gold Mines

	*2nd qu.
Total recovery	$90,595
Tons milled	17,423
Average recovery ...	$5.20
Tons daily	342

*Milling commenced May 10.

Cochenour-Williams

	2nd qu.	1st qu.
Total recovery	$50,494	$32,612
Tons milled	2,429	2,530
Average recovery	$20.79	$12.89
Tons daily	27	28

Hasaga

	2nd qu.	1st qu.
Total recovery	$109,854	$80,759
Tons milled	13,355	11,740
Average recovery	$8.23	$6.88
Tons daily	147	130

J-M Consolidated

	2nd qu.	1st qu.
Total recovery	$71,540	$67,296
Tons milled	9,266	8,452
Average recovery	$7.72	$7.96
Tons daily	102	94

Sachigo River

	2nd qu.	1st qu.
Total recovery	$145,468	$148,040
Tons milled	2,467	2,384
Average recovery	$58.97	$62.10
Tons daily	27	26

Young-Davidson

	2nd qu.	1st qu.
Total recovery	$322,753	$360,098
Tons milled	93,261	93,938
Average recovery	$3.46	$3.83
Tons daily	1,025	1,044

Ronda

	2nd qu.	1st qu.
Total recovery	$47,425	$30,933
Tons milled	12,166	8,819
Average recovery	$3.90	$3.51
Tons daily	134	98

Cline Lake

	2nd qu.	1st qu.
Total recovery	$202,514	$197,647
Tons milled	21,649	20,156
Average recovery	$9.35	$9.81
Tons daily	238	224

St. Anthony

	2nd. qu.	1st. qu.
Total recovery	$75,686	$41,980
Tons milled	5,825	5,115
Average recovery	$12.99	$8.21
Tons daily	64	57

NOTICE

As a dividend will be paid to shareholders of God's Lake Gold Mines Limited of record as at the 15th of September, 1939, it is suggested that the shareholders having street stock have it recorded in their own names.

By order of the Board.

FRED LARN,
Secretary-Treasurer.

Week in Oils

Operators Are Confident War Not To Stop Drilling

Demand for Oil Important Because of Oil's Position as War Raw Material—Standardizing Royalties Mooted

From Our Own Correspondent

CALGARY.—While the threatening situation in Europe has caused a sharp decline in oil stock prices on the various Canadian exchanges, Alberta oil operators are confident that in the event of war, development of Alberta's oil resources will continue, possibly even more intensively than at present.

Unlike the situation in the last war, Turner Valley is now recognized as a major crude oil field, and oil itself is a most important war raw material. An increasing demand for crude oil and higher prices for the producer would appear not unnatural corollaries to an outbreak of war. A strong possibility also exists that oil supplies from Roumania and Persia might be partially or totally cut off, reinforcing the demand for oil from other sources.

Listing of Royalties

Alberta oil men expect the visit to Calgary and Turner Valley on Sept. 23 by members of the Toronto Stock Exchange to be productive of good results for the Alberta oil industry.

At present most of the money for financing drilling in Turner Valley is raised by sale of royalties. Investors must be assured not only a fair return on their royalty interests, if production is obtained, but must be afforded facilities to buy and sell royalties on the stock markets.

Facilities for trading in royalties in Alberta producing wells are only provided, at present, on the Calgary and Vancouver stock exchanges. On the largest mining market in Canada—the Toronto Stock Exchange—there are no such facilities.

Thus the advisability of listing Alberta oil royalties on the Toronto Exchange will be discussed with stock exchange members during the forthcoming visit. To make possible wide trading in oil well royalties it is necessary that they be standardized. At the present time there are various types of royalty interests and various regulations with respect to royalty payments.

It is hoped that a standardization plan will be evolved which will permit the listing of oil royalties on the Toronto and Montreal exchanges, having the effect of making more money available for Alberta oil well drilling operations. Representatives of the British Columbia Royalty Dealers Association will be present at the conferences.

* * *

Watch Elections

Alberta oil men will take a keen interest in the federal and provincial elections in this province. The Alberta Petroleum Association, according to a recent statement, will insist that one and preferably two candidates to be nominated for provincial seats for Calgary be actively engaged in the oil industry or thoroughly conversant with the problems of the industry.

"There is an imperative need for some members of the Legislature who can be depended upon to act as watchdogs over all proposed new oil legislation," an official of the association said.

* * *

No Pipe Line Decision

Decision on the advisability or otherwise of constructing a pipe line from Turner Valley to the head of the Great Lakes or from the valley to Vancouver, with a view to extending the markets for Alberta oil, will not be reached until the end of next October, at the earliest, according to officials of the Alberta Department of Lands and Mines.

Investigation into the practicability of constructing the lines is now under way under direction of Dr. Charles Camsell, Deputy Federal Minister of Mines and Resources. When the investigation is completed, reports will be submitted to the Dominion and Provincial Governments and to British agents interested in the projects.

* * *

Production $50 Millions

C. L. Dingman, Calgary statistician of the oil industry, has just compiled an interesting historical record of Turner Valley covering the period from the drilling of the Discovery Well by Calgary Petroleum Products, later taken over by Royalite.

During the period covered the field produced approximately $50 millions worth of naphtha and crude oil. Natural gas was sold for over $13 millions and billions of cubic feet of natural gas, in addition, found no market and was burnt in waste gas flares.

Of the $50 millions oil revenue, approximately $4 millions was obtained during the first six months of 1939, derived mainly from the sale of crude oil from the South Turner Valley area.

In the quarter century history of the field, up to the end of last June, 310 wells were drilled. Of these 105 are regarded as gas wells and 85 are crude oil producers.

Calmont Oils Profit Lower

Negotiations Under Way for Developing Leases in Home Area

While net profit of Calmont Oils showed a considerable production at $11,474 for the year ended May 31, 1939, compared with $40,796 the previous year, the company has been able to improve its liquid position with working capital amounting to $81,435 in 1939 against $32,509 a year previous.

Market value of investments not included in current assets, however, amounted to $128,267 in 1939 compared with $311,880, the drop being due to wells which failed to produce, decline in the market value of certain royalty holdings and adjustment of preferred royalties.

Negotiations Under Way

Completion of the Home-Millarville No. 2 well as a good producing well is stated to have materially enhanced the value of the company's leases lying between this well and the Vulcan-Brown well. Negotiations are in progress and it is anticipated that drilling of the company's leases will soon be under way. On May 31, the company's rotary rigs were engaged drilling York No. 2 well, Calwin Royalties No. 1 well and Winalta Royalties No. 1 well.

Companies in which Calmont holds either a royalty or share interest or both are as follows: Turner Valley Royalties; Westside Royalties; B. & B. Royalties; Sovereign Royalties; Vulcan-Brown Pete. No. 1; Calwin No. 1; Winalta No. 1; Home Oil (Brazeau); Royal Crest No. 1; Three Point No. 1; Commoil; Command; Barsac No. 1; D. & D. Royalties No. 1; and Spindletop Oils.

Income and Surplus Account
Years Ended May 31

	1939	1938
	$	$
Investment income ...	6,580	1,805
Tool rental	84,194	91,702
Royalty income	33,331	66,932
House rent	1,028	1,115
Miscellaneous	836	3,420
	125,969	164,974
Less: Legal exps.	2,015	2,235
Sals. & dir. fees	10,750	11,646
Taxes	8,364	11,847
General expense	21,818	34,135
Depreciation	69,350	64,315
Loss on equip.	810	......
Bad debt prov.	1,388	......
Net profit	11,474	40,796
Less: Prev. deficit ...	114,098	166,469
Invests. w/o	9,389	......
Add: Accts. pay. w/o	640	......
Adjust. for deprec. .	......	11,575
Deficit forward	111,373	114,098
Earnings Per Share & Dividend Record:		
Earned	$0.005	$0.019
None paid.		
Shares Outstanding ..	2,152,766	2,142,766
Working Capital		
Current assets	92,969	63,432
Current liabilities	11,534	30,923
Working capital	81,435	32,509

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Price Soar For Metals Seen in War

Lead, Zinc, Copper and Nickel Demand Would Jump

MIGHT HIT GOLDS

Wars have meant much higher prices for base metals in the past, as well as increased output, and no decided change in this connection is expected in any future war. Of course there is the possibility that available supplies might be rationed at fixed prices but it appears that a gradual inflationary rise of prices could not be avoided.

Copper and Nickel

Canada probably stands to gain more from copper and nickel than other metals. At the outbreak of the last war, copper at New York was selling around 13 cents a pound, but in 1916 and 1917 the price was to average over 27 cents a pound. Then the Canadian output of copper was relatively insignificant but not so now. Last year Canada produced 586 million pounds of copper with the average price at New York 10 cents a pound. A price rise in copper similar to that of the last war would have the effect of raising the value of the output of copper alone by $80 millions annually even without an increase in output. At least a limited increase in output would appear likely, however. Waite Amulet Mines will bring its new 1,000-ton mill into operation shortly while companies like Noranda and International Nickel can treat ore with a higher copper content if so desired. Although some companies might desire to increase mill capacity, time would be required to place this in effect especially with an increased demand for heavy equipment due to war.

Stabilized Price

Just how nickel will be affected in wartime is not altogether clear. At present International Nickel, the dominant factor in the nickel-producing industry, keeps the price stabilized at 35 cents a pound. Output last year for Canada was 210.7 million pounds.

International Nickel officials claim that nickel now finds its chief use as an industrial metal but there is little doubt it remains an essential war raw material even if used in relatively small quantities. If war should bring an unprecedented demand for nickel a price raise might be necessary to limit demand unless rationing was placed in effect.

A possibility exists the public may demand some form of regulation of the sale of nickel to prevent the metal from reaching German hands. At present it seems difficult to see how we could avoid sale of nickel to neutral countries such as the United States and when that happens re-export to a belligerent may happen. Tracing down the use to which all nickel is put in whatever country it is consumed does not appear feasible.

If demanded as a national necessity, output of nickel could probably be expanded considerably. Plant capacity of International Nickel is not being used to the full at present nor is the highest grade of ore available being treated. If smelter and refining capacity were enlarged, still greater production would be possible because International Nickel follows a policy of keeping mine development well ahead of mill requirements.

Lead and Zinc

Canada is also a large producer of lead which, along with copper and nickel, enjoys an accelerated demand in wartime if past experience is any criterion. Output last year was 419 million pounds and the average London price was equivalent to 3.344 cents a pound. In 1914 lead averaged slightly under 4 cents a pound for the year but the price rise due to war was so precipitate that the following year the price averaged close to 9 cents a pound. War for just one year was enough to more than double the price.

The chief unit in the Canadian lead-producing industry is Consolidated Mining and Smelting Co., which is now operating under an agreement to restrict lead output by 10% in order to help stabilize the lead price structure. This restriction would undoubtedly be done away with under any extended war.

Zinc enjoyed a heavy demand in the last war. In fact zinc went from an average price of 5 cents a pound in 1914 to over 13 cents the following year at New York. Last year Canada produced 381.5 million pounds of zinc with the price averaging 3.073 cents based on London quotations. Several Canadian copper producers now treat copper ore containing zinc but are not recovering zinc values. If zinc should go up in price, however, production of zinc would likely be stimulated since installation of a zinc recovery equipment would present no great problem.

Iron ore will likely be an important factor in any war. Production from the Helen mine of Algoma Steel Corporation would likely be stimulated as well as the opening up of the Steep Rock Iron deposit north of Lake Superior. Iron ore may prove a scarce commodity in another war and if Canada can start supplying her own needs, it would be an important factor in stabilizing the Canadian economy.

Higher Costs for Gold

The immediate effect on gold mines of a war should be increased costs. This was the experience in the last war. If the United States continues paying $35 an ounce for gold and the Canadian dollar depreciates in terms of the United States dollar, a higher Canadian price for gold might partially or wholly offset increased costs. The Canadian dollar is already below the American dollar, due to war scares, with Canadian producers getting close to $36 an ounce for gold. A shortage of labor is another possibility in the event of war. Public opinion might favor the use of men in war industries rather than in an industry which might be considered less essential in the light of war.

After any serious conflagration gold miners might again have their innings. Another big write-up of gold might take place to match an inflationary rise of prices. In this event, and in view of the heavy taxation resulting from a war, public opinion might demand that this extra profit be taxed away.

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Would Raise Gold to $58 per Ounce

American Sees Business Starter and Solution to Debt Problems

By RONALD A. MacEACHERN
Mining Editor, The Financial Post

United States should immediately revalue gold, raising its price 60%, from $35 an ounce to $58.

The "profit" of around $8,000 millions should be used to wipe out government debt, lowering of taxes.

Gold should be returned to circulation, and the Government should halt the "unintelligent" hoarding in a hole in the ground.

Revaluation of gold should be done in co-operation with Great Britain and other countries with strong economic foundations, resulting in general realignment of currencies, drastic reduction of government debts and to "settle once and for all the sins of the past decades."

Author of that plan for getting business and government back to the rails of sound prosperity is Hans Christian Sonne in his recent book, "Whither America?" subtitled "Common Sense and Better Times," published by Business Bourse, New York.

Importance of the recommendations is Mr. Sonne himself.

A Practical Author

He is not a professional author, economist, maker of plans or scratchy-minded propounder of causes. Mr. Sonne was born in Denmark, is now an American citizen. He is around 45 or 50 years of age. His business education was, for the modern world, unusual. Joining the old English firm of Frederick Huth & Co., established in 1809 at London, he was associated with it for eight years. Frederick Huth & Co. calls itself a bank, but a bank in the very old sense of that word. Its main business is dealing in commercial paper of all kinds and in commodities from the seven seas.

When commodity business became difficult in the years of the Great War, Mr. Sonne went to New York, opening a branch there, and in due course formed his own firm, Amsinck, Sonne and Co., to carry on in the New World metropolis, the same sort of business that his erstwhile employers did in the Old. Hence Mr. Sonne's business activities keep him very intimately linked with all forms of international commerce and finance.

Mr. Sonne's approach is above all realistic and practical. He knows how the wheels of world business go round and how they might be made to travel more smoothly.

His argument for further advancing the price of gold finds increasing support in well-informed quarters. Possibility that some such measure would be adopted by the present administration to give America the appearance of prosperity and the prospect of lower taxation before the forthcoming Presidential elections has frequently been mentioned.

Government Debt too Large

"Government debt is far too large," he writes, "The interest charges on the approximately $50 millions are too large a percentage of the yearly revenue. The private debt structure is quite unsound. A great many industrial enterprises will have to settle with their creditors on a common sense basis. The Government also must settle with its creditors. The dollar should finally be cut to about 60% of its present gold value. The corresponding profit on gold amounting to $8,000 millions should be used to bring debts of federal and state governments somewhat in line with their capacity to pay.

"Simultaneously, the new dollar should be made freely interchangeable with gold in order to relieve the Government of their absurd responsibility of carrying gold when, if anything, our nation has too much as compared with other countries, and further with a view to making it quite clear that in cutting the old dollar to 35 cents this was done to settle once and for all the sins of the past decades and that there is no intention of the Government clipping the coins in the future.

A Co-operative Step

"Simultaneously, it should be made clear that the further devaluation of the dollar should not be expected to develop so-called inflation, for America is too large to inflate. She would unquestionably take this last move of devaluation in co-operation with Great Britain and other strong countries with the result that the whole world would follow suit.

"This becomes the more apparent when we realize that, due to the international strength of the dollar, the relative value of most foreign currencies is too high. A new series of foreign devaluations would thus appear inevitable, and we must permit other nations to readjust their currencies to the extent that their economy makes it necessary.

"Therefore in spite of the reduced value of the dollar, higher prices need not be expected. This in turn would reduce the apparent loss to the nation's capitalists and holders of dollars. For if they were able to retain the same income in the new dollar as they had received before, they would be able to maintain the same standard of life.

"This final step to depreciate the dollar should be taken mainly to co-operate with other nations whose debt structures are also unsound. It is not to be considered as a further dose of inflation. It is to be compared to the morphine administered by a doctor to a patient who has undergone a major operation so that his pain may be somewhat reduced until he completely recovers.

"After this major operation the **American economy would be healthier and fundamentally** sound. As we **learned to exchange** more goods with **foreign nations**, everybody that **would work and** could work would be **employed possibly** at shorter hours, **but gradually** at full capacity, past troubles **forgotten**. The nation as a whole would emerge stronger than before.

"Gold will continue in the future as in the past to be the basis of all values. Any policy of our country must be based on this assumption.

"Let us see whether the Fascist countries are right in their assertions that they no longer base their values on gold and that they do not need it. Values may well be quoted in domestic paper marks in Germany. However, when the German Government buys steel in the United States, it has to find dollars and dollars are based on gold value. To pay for such steel the Germans have to export some of their goods that the United States will buy, and look, naturally, for such goods as will give most gold dollars at the least cost to them. Consequently the price structure within Germany, whether they like it or not, depends also on gold values, though the average citizen in the country may not realize it.

Barter Trade a Myth

"A sales clerk in a drygoods store may have found that his arm measures just a yard and that therefore he can measure the goods using his arm as a yardstick, but if, as a result of such coincidence, he draws the conclusion that the yard measure is no longer required in trade, he makes the same mistake as do the Fascists if they believe that they no longer base their values on gold."

Mr. Sonne points out that when Germany makes a trade deal with, for instance, Peru, the relative values are worked out in terms of sterling or the dollar, both of which are gold currencies. "In the absence of gold or gold currencies, the exchange of merchandise would be infinitely more complicated. One would have to go back many hundreds of years to the old barter system. The Fascists . . . are trying to teach the world something—namely, barter between nations — which the world knew many thousands of years ago and gave up because it proved too complicated. What the Nazis say is one thing, what they do in practice is another."

The author explains that in recent territorial conquests of the Axis powers gold reserves of the conquered countries have always been promptly grabbed with gusto.

"The statements coming from 'have not' nations to the effect that they do quite well without gold would appear, therefore, to be 'sour grapes'."

Went Short on Gold

Mr. Sonne refers to the Cassel theory that from the period 1850 to 1910 there was a desirable and stable price structure for the world generally; that during that period the annual increase in the world gold supply amounted to approximately 3% and that evidently the economic progress of the world also increased by approximately 3%.

But, Mr. Sonne writes, "we shall find that probably already at the end of the last century and in the very beginning of this century the annual increase of 3% was not nearly enough. The world did not discover this for some considerable time."

The author points to the tremendous increase both in production and in capacity to produce; that the first three decades of this century have witnessed a phenomenal technological advance, that many countries of the world in that period emerged from a primitive to a modern economy and culture.

"Modern technique enables gold miners to increase greatly the yearly production of gold, but the same technique applied to mining has been applied in other industries to a far greater extent with the result that the supply of gold is inadequate to take care of our financial structure.

"Capacity to produce, increased wealth of nations and international and domestic debt structures and probably any number of other items have, in effect, to be 'carried' by gold, and, as they increase so must the supply of gold increase."

Shortage of New Gold

Looking at figures on national wealth, productivity and debt, Mr. Sonne writes, "All this tends to indicate that the shortage in gold that has crept up on us by 1929 was so considerable that, even though 44 billion of gold now seems a large amount as compared with the 23 billion in 1932, it is, if anything, too little when compared with what it has to carry, and particularly so when we keep in mind that we are going through a period when international confidence is on the wane, during which periods we know that gold has a much heavier task to perform."

Gold is as vital today as ever, Sonne believes and will continue to be so. "Provided that some scientist does not discover a way in which gold can be made artificially at a comparatively low price, in which event the world would have to look for another medium of exchange; and that we don't suddenly find that mankind, for some mysterious reason, suddenly expresses preference for some other medium. There seems little chance of finding another one equally suitable.

"Unless an unintelligent analysis of the gold position should lead governments to take wrong measures or rumors of lower gold prices should spread and create temporary panics, there is no immediate danger of the value of gold decreasing, rather the reverse.

Ignorant Hoarding

"Just as the hoarding of gold on the part of citizens is in the main a sign of unintelligence, so is the hoarding of gold on the part of governments a sign of complete lack of understanding by a nation whose gold supply is adequate and whose trade balance is sound.

"It seems clear that, when a bill or chip represents an amount of gold, there is no reason, except in extreme emergencies, to try to hide that fact or deprive citizens of the satisfaction of carrying gold, even though it may be an empty satisfaction. That the Government should go to expenditures to carry the gold for the citizens without getting anything for it is contrary to all common sense and would seem to be due to fear as well as lack of understanding. Were gold again circulating freely in this country, there would be the further advantage that citizens would become better acquainted with it. It certainly does not suit us, who are the largest holders of gold, to have interest in it wane.

"The United States has too large a proportion of the monetary gold. This stock is accumulated here at the expense of others. We have seen how the poorer nations are suffering hardships by not having gold reserves. It is important that in our trade policy we show such restraint that we do not compel the world to send us more gold, at any rate not more than our proportion of the annual increase of the world gold supply. It is then to be hoped that in the course of time an equilibrium will be found the world over.

Stop Vicious Spiral

"The lack of a gold reserve on the part of many countries has the effect of placing a still greater premium on gold which is very important deflationary factor, much stronger than the inflationary trend resulting from the comparatively small amount of actual saving in gold. This factor has not had the attention it deserves.

"We can better appreciate this by thinking of the position of a private individual who is accustomed to carry a reasonable cash balance in the bank to take care of emergencies but at a certain point finds himself unable to maintain such a reserve. Now, when an emergency arises, in which he needs cash desperately, he can obtain it only by selling something of value that he may have—an old painting or a first edition—and he is compelled to throw it on the market at short notice and at a ruinous price, whereas if he had a bank balance, he could take his time about disposing of his possession and probably realize a reasonable sum.

"On all sides we see at what enormous cost these poorer countries are carrying on their new policy they boast, that of doing without a gold reserve. All this tends to increase deflation which means increasing the premium on gold."

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Silicosis Cost Doubled in B.C.

Industry Accepts Higher Rate But Further Rise Opposed

From Our Own Correspondent

VANCOUVER.—Doubling of the silicosis compensation rate in British Columbia will increase cost of operating British Columbia's lode mines to some extent, but the industry is accepting the increase philosophically inasmuch as it assumed responsibility under the provincial legislation passed in 1936 for treatment of all men employed at the beginning of that year in underground mines and crushing plants.

Originally the compensation rate was 2½% on wages, but now it is 5% which, added to the general accident compensation charge of 4½% places British Columbia mines on a par with South Africa's rate and higher than Ontario's.

Mine operators in British Columbia are opposing suggestions being made by labor organizations that the silicosis rate be further increased. They claim such an advance would be unfair inasmuch as conditions have been greatly improved, at considerable cost, in the mines and that nearly all the silicotics now being treated contracted the disease years ago, even before the present legislation was enacted.

New Consolidated Gold Alluvials Setup Refused

From Our Own Correspondent

VANCOUVER.—Refusal of interests represented by C. H. Unversagt to agree to a new financing plan held up plans for a new set-up for Consolidated Gold Alluvials, which for some years has been engaged in placer operations near Wingdam in the Cariboo district, following the Australian deep lead system.

Operations at the camp have been severely curtailed since a "cave" on the property last year which did serious damage to the underground installation. Total cost of rehabilitation was placed at about $300,000 by General Manager A. M. Richmond, but he advised an additional $100,000 should be provided for unexpected contingencies.

President James E. Thompson told the annual meeting here that the alternative to co-operation among the shareholders would be bankruptcy. He was opposed to financing by further sale of stock, but suggested that the property might be leased to a new group.

Directors were elected as follows: J. E. Thompson, W. D. McLaren, A. C. R. Yuill, R. B. W. Pirrie, N. DeRonne and J. Hume Robertson, the latter two representing Mr. Unversagt and the Lightning Creek interests.

Mining Concentrates

Alexo Extension Nickel Syndicate has secured shareholders' approval to optioning 8 claims in Clegue and Dundonald twps., Sudbury district, to C. N. Hitchcock of Sudbury. It is understood a development programme is to get under way immediately.

* * *

Agaura Explorations, subsidiary of United States Smelting, Refining & Mining Co., has transferred its option on Cassels Duval Mines to Mic-Mac Explorations. Agaura continues active in optioning and examining properties in eastern Canada, however. Work has been done recently on the property of Thomas Ogden Gold Mining Co., Ltd., Ogden twp., Porcupine area, Ont., an option on which was taken June 1, 1939.

* * *

Alewco Gold Mines is continuing diamond drilling with ample funds stated to be in the treasury for the present programme. So far, trenching, test pits and 6,000 ft. of shallow drilling has been completed with an additional 3,000 to 5,000 ft. of drilling projected. A considerable tonnage of ore is stated to have been indicated at the property which is located near Belleterre Gold Mines, a subsidiary of McIntyre Porcupine Mines. Many veins of good width are reported indicated.

* * *

Bloom Lake Consolidated Mines is now carrying on diamond drilling at its property in the Matachewan area of Ontario. If the current programme is successful, underground work will be started immediately, officials state.

* * *

Cariboo Gold Quartz Mining Co. has declared its regular quarterly dividend of 4 cents a share plus an extra of 1 cent a share, both payable Oct 2, to shareholders of record Sept. 7.

* * *

Denison Nickel Mines, operating near Worthington, west of Sudbury, has cut about 8 ft. of high-grade ore on the north side of the norite contact at its new 950-ft. level, according to official report. On the south, with the crosscut still in the norite, 15 ft. of ore has been intersected. Nickel and copper combined are stated to give an assay of 2%, and platinum metals run about $3 per ton. It is planned to cut a drilling station in the crosscut from which some holes will be spotted to test conditions at further depth.

* * *

East Malartic Mines had a slightly lower output in July compared with June as the figures given below reveal:

1939:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
July	26,464	854	6.92	*183,000
June	26,694	890	7.07	188,728

*Approximate.

* * *

Gypsy Yellowknife Syndicate has been active opening up each of its 5 properties in the Yellowknife area by trenching and stripping in 1939. Following surface exploration and prospecting, a programme of diamond drilling is planned.

* * *

Gem Gold Mines plans to commence production this fall on completion of a new double-compartment shaft. The shaft is expected to be finished to its objective of 500 ft. by Nov. 1. Last spring a new ore shoot was located at the 150-ft. level averaging an ounce of gold per ton, it is stated. The company has no financial obligations or outstanding accounts and 454,300 shares remain in the treasury for further financing. The property is located on Texada Island, Gulf of Georgia, 65 miles from Vancouver.

* * *

Island Mountain Mines Co. production for July was slightly below that for June as shown below:

1939:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
July	3,817	123	13.96	53,292
June	3,849	128	14.08	54,202

* * *

Kennedy Lake Gold Mines, which holds a property of 36 claims on the Kennedy River, Vancouver Island, B.C., has completed a new road and is now taking in heavy machinery. Shipments of ore are expected to start within the next few days.

* * *

Nortrac Mining Co. shareholders are being advised that steps are being taken to forestall public sale of its property and to preserve the assets for the time being. R. O. Sweezey & Co., as a creditor, was stated to have taken steps to place the company in bankruptcy when it proved impossible at a shareholders' meeting to raise sufficient funds to prevent sale of assets to meet debts. It was felt sufficient time had not been given to reach all shareholders, however. Liabilities are reported to be approximately $7,000, of which $4,500 was owing to R. O. Sweezey & Co.

* * *

National Malartic Gold Mines has cut ore in the second diamond drill hole put down on its current drilling programme on its No. 1 property located west of East Malartic Mines and north of Sladen Malartic Mines. Three intersections were made in this hole, the first running $3.40 across 11.8 ft. at a vertical depth of 265 ft.; the second $9.80 across 5.1 ft. at a vertical depth of 310 ft.; and the third $4 across 10.7 ft. at a vertical depth of 405 ft. The hole was bottomed at 728 ft. or about 180 ft. on the incline below the third intersection. Other lower values were also encountered in this hole. No. 16 hole, completed a week previously, 400 ft. south and 30 ft. west of the above hole, returned $9.06 across 128 ft. Hole No. 18 is now being drilled 400 ft. north and 30 ft. east of the last hole completed.

* * *

New Golden Rose Mines, northeast of Sudbury, reports production valued at $21,599 for July, recovered from 2,403 tons for an average of $8.98 per ton. This compares with $20,919 in June for an average of $8.07. Output at New Golden Rose has been declining steadily since the first of the year. In March the yield was $43,370, the first time in six months the monthly figure had dropped below $50,000. April production was $40,000, May $30,000. There was an operating loss of $12,969 in June and a deficit of $7,691 in July.

* * *

Planet Gold Mines has intersected free gold showings in the core of a deep diamond drill hole at its property in the Boston Creek area, officials state. The visible gold was intersected between 1,885 and 1,920 ft. over a length of 35 ft. of core. There will be a complete examination of results and further holes may be drilled.

* * *

Senator-Rouyn is now working double shifts on crosscuts at both the 375- and 500-ft. levels with an average minimum daily advance of 10 ft. per day anticipated in each. At the 375-ft. level approximately 300 ft. of driving will be necessary to contact the main ore body and about 150 ft. on the 500-ft. level. Accordingly, it is estimated the 500-ft. level crosscut should reach the ore by Sept. 10 and the 375-ft. level crosscut about two weeks later. The 375-ft. heading is pointed to strike the main ore body in the neighborhood of No. 32 diamond drill hole which returned $11.53 per ton across 24 ft. The 500-ft. level will encounter the ore zone below high grade intersections made in several holes bored to depths of around 450 ft.

* * *

Straw Lake Beach Gold Mines has secured shareholders' approval to an increase in authorized capital from 3 to 4.5 million shares. The additional shares created will be used to raise capital for an enlarged development programme. New work at the lower levels has improved the picture, according to W. M. Sixt, vice-president. Ore widths have improved. On the 465-ft. level the ore shoot has been extended to a length of 100 ft. averaging $16.39 across 52.5 inches with the last face running $23 over 18 inches. At present ore reserves are estimated at 6,000 tons grading $13 per ton. Production from commencement on Nov. 16, 1938, to the end of July amounts to $176,631, including $22,698 in concentrate from milling 14,150 tons of ore for an average of $12.48 per ton.

* * *

Vancouver Island Gold Mines put a small crew to work on July 15 at its property of 37 claims, 10 miles from Port Alberni, Vancouver Island. Work is being concentrated on extracting high-grade ore from the "Mac" vein for shipment to the Tacoma smelter.

* * *

Val d'Or Mineral Holdings has acquired 250,000 pooled shares in Hasaga Gold Mines, according to information supplied The Financial Post. Other holdings include 97,264 shares of Pickle Crow Gold Mines, 500,000 shares of Uchi Gold Mines, and 294,354 shares of Siscoe Extension Gold Ltd.

* * *

Zeballos Answer Gold Mines plans to carry out shaft sinking and diamond drilling when sufficient stock has been sold to provide the necessary finances. Two tunnels have already been driven on the company's property of 6 claims in the Zeballos area. The upper tunnel has been driven for 85 ft. and the lower 158 ft. with backs of 200 ft. A short section of narrow but high-grade material is stated to have been disclosed in each tunnel. While a mineable ore shoot has not yet been revealed, conditions are considered favorable, according to the management.

* * *

Zonic-Larder Gold Mines has completed its plant and equipment at its property in the Larder Lake area of Ontario and air for machines is now being delivered underground. Recently a new vein was discovered in surface work about 50 ft. north of the main shaft with heavy mineralization; ore-making possibilities are considered good. It is now planned to ship 50 tons of ore from several narrow but high-grade veins to determine if a profit can be made from continuous shipments of this type of ore.

Mining Enquiries

Granby Consolidated

I have been informed that Granby Consolidated has been experiencing improved results this year and that its shares may be attractive at present levels. Is this true?

According to unofficial reports, Granby Consolidated could easily show earnings as high as $1.10 a share this year, profits for the first six months of the year having shown a considerable increase. In the second quarter, profits were equal to 28.4 cents a share.

With stock selling at $6 a share, the shares might be considered at bargain levels in any time but the present. Yields have so increased on many stocks, however, due to the general decline in share prices, that the ratio of earnings to market price has unusually increased. Granby may be in a better position than many of the companies, nevertheless, as its chief product, copper, would be in particularly heavy demand if a war should break out while improving industrial conditions have meant increased consumption of the metal recently.

Junior Gold Trust

I shall be greatly obliged if you will kindly favor me, as soon as possible, with your opinion of Junior Gold Trust Shares.

There are some good arguments to advance for Junior Gold Trust Shares. They have a very nice selection of properties, some of which should undoubtedly prove to be among Canada's great mines of tomorrow. This gives you diversification and the three arguments advanced in the prospectus about this being the time and type of proposition offering the investor good appreciation prospects seem sound enough.

There is the technical position of this type of trust which you should consider. Its terms make it clear that this is what is called a fixed trust, a type of investment organization which flowered during the depth of the depression.

Some points which should be brought to your attention are these.

You will note that the prospectus requires you to buy 100 shares or multiples thereof. Probably you could buy fewer shares but note that there is no provision in the prospectus which obliges the trust management to buy in or make a market for any group of shares numbering less than 100 or any multiple of 100. Theoretically you could sell your less than 100 shares provided you could find a buyer, which you might have to do yourself.

Have you considered the probable lack of flexibility in holdings? Another provision in the prospectus states that shares in any particular mine must be sold should annual report show that ore reserves have declined more than 10% It is a characteristic of the market that prices anticipate reports rather than follow. In 99 times out of 100, stock price would have declined sharply prior to the release of an annual report showing depleted ore reserves. This fact would mean that the shares would likely have to be sold on a badly depressed market with inevitable unpleasant consequences for the shareholders.

Another angle with respect to this provision is that ore reserve depleted 10% may not indicate bad going ahead for the mine. It is conceivable that a mine might considerably improve its real position during a year in which its ore reserves were allowed to skid downward more than 10%, though the terms of its contract might be forcing it to sell at a time when buying would be wiser.

The prospectus refers to this five-year fixed trust being "free from the manipulation of management." The suggestion is here that thorough guessing is going to be better than guessing plus experience and market skill. Provided a trust is managed by honest and competent and experienced men—and the investor is obviously unwise to have any interest in a trust run by any other type of men—it would seem that there should be advantages for the management trust. For knowledge of properties and experience with stock markets undoubtedly give superior advantage over a considerable period of time and with a broad classification of stocks.

We think you should also consider the provision which states that the shares are to be disposed of immediately following July 1, 1944. From the prospectus it would appear that you might be able to take delivery and hold those shares yourself, but certainly the trust is to be broken up at that time. Unfortunately, no one can predict what is going to be happening in July, 1944. It might conceivably be a period of boom in markets and business or it might be at the depths of a depression. In any case the obligation to sell would be a depressant on the market for these shares because presumably quite sizeable blocks of stock would have to be disposed of fairly rapidly

Still another point is the fact that profits do not go into reinvestment. Thus the trust is not being built up and is liable to show contraction. Profits would come back to you in the form of return of capital and you would have the personal problem of reinvestment. At the same time the trust would not be able to participate in good looking properties which would grow up during the years.

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CHARTERED ACCOUNTANTS

The Shareholder and the Auditor

Today business ownership is widespread. The development of share capital financing has meant that many of the great industrial and commercial enterprises are owned by a large group of shareholders, many of them having relatively small holdings. What has this meant to company administration? No longer are ownership and management closely connected. The small shareholder, actual or prospective, has little opportunity to determine, personally, if the investment he holds or proposes to make is financially sound and profitable. He must rely extensively for his knowledge of a company's affairs on published prospectuses, reports and financial statements. To the board of directors he must delegate control of the company's administration. How then can his interests be safeguarded? Upon what independent expert opinion can he rely for information?

Here is the field in which the Chartered Accountant functions. He may be regarded as the "buffer" between the investing community and the board of directors. He is elected by the shareholders as a safeguard to their interests. The law sets certain minimum legal requirements with which he must comply and accords him certain rights to facilitate his work. The professional accountant, however, assumes a moral responsibility to his clients far above the scope of legal dictates. To the best of his ability—an ability developed by rigid educational standards of the profession throughout Canada and by years of practical training—he reports upon the financial condition of the company so that the shareholders, with confidence in his integrity and impartiality, may have a skilled independent opinion as to the value and security of their investment.

One of a series of brief discussions of the work of the professional accountant.

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●

HUMAN activity and progressing civilization have evolved countless forms of business, but none which exemplifies the good neighbor principle better than Life Insurance.

The man who insures his life in order to provide for his dependents and his own old age, thereby relieving society of the cost of caring for them and him later on, is a self-respecting citizen and a good neighbor in his own community. The institution that makes it possible for him to do this by pooling his spare funds with those of others is a good neighbor in a wider sense.

Life Insurance does a work which is the very embodiment of neighborliness and good citizenship. First, it assists individuals to safeguard their standards of living and frees them from worry as to the future. Then, it uses the funds received from policyholders to promote the prosperity and progress of the communities in which they live.

The London Life stands out as a good neighbor in these respects and in many others.

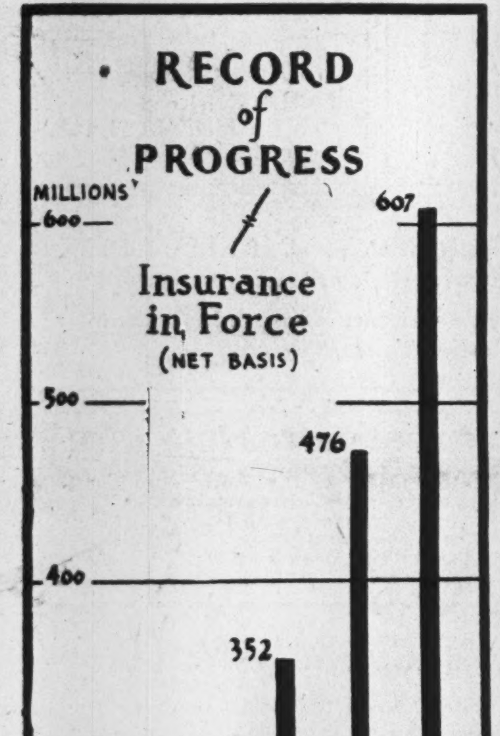

Chart shows tenfold increase in 20 years, proving that being a good neighbor can be good business too.

More Than 675,000 Policies in Force

Its community is the entire Dominion of Canada. Its great family of Canadians holds more than 675,000 policies—each a definite contract and a promise to pay, a source of present reliance and a safeguard for the future. Another 60,000 Canadians are protected by London Life group insurance. With one or more beneficiaries for each policy in force, it is plain to see that the operations of the Company make it good neighbor to a large part of the country's population.

The London Life goes much further than merely guaranteeing payment of a specified sum upon the death of a policyholder. It issues contracts whereby an individual may be assured of a continuing income when earnings cease, giving him the option of a lump sum in settlement or monthly payments for the remainder of his life. It has policies that can be used to wipe out mortgages, to compensate firms for the death of a partner or important executive, and to accomplish many other aims.

It provides funds for policyholders who become permanently disabled through accident or totally incapacitated by sickness. For small outlay, it guarantees money wherewith to educate children bereft of one or both parents. In emergency, it loans cash to policyholders, assisting them in financial crises, enabling them to meet unforeseen circumstances or to take advantage of favorable opportunities.

Policies to Meet Every Need

This all-Canadian Company, exponent of all that is best in both Industrial and Ordinary insurance, issues policies to cover every conceivable need from infancy to old age, from the smallest amount to provide for funeral expenses, up to policies for sums reaching six figures—and all at exceptionally low net cost to its policyholders.

Canadians as a whole possess a bulwark of London Life Insurance totalling more than $625,000,000 — protecting their families, homes, business interests and status in the community. Their life insurance is an indispensable part of their scheme of living—and the Company is their silent partner in the business of existence—a friend in need—a good neighbor.

Good Neighbor Activities Widespread and Varied

The London Life furnishes an important contribution toward making Canada a better country in which to live. It is today assisting more than eight thousand families to purchase homes, business premises and other real estate by first mortgage loans amounting to $45,000,000. In addition it is helping Dominion, Provincial, and Municipal governments to provide public works, education and other advantages to the citizens through loans totalling $55,000,000. To help its policyholders solve pressing financial problems, it has loaned sums in varying amounts which aggregate $16,000,000, on the sole security of their policies with the Company. These amounts, with other investments, make a total of more than $130,000,000 which the London Life has advanced in promotion of the good neighbor principle—all of it in Canada.

The value of this service — most of which centres in the home—is beyond estimation, particularly in the light of the universally-accepted dictum that "the strength of the home is the strength of the nation."

A Good Neighbor to Its Employees

With due regard to the fundamental requirements of discipline, efficiency and character in its employes, the London Life maintains toward its staff an attitude of friendliness and helpfulness, supplemented by the stimulating encouragement of prompt recognition and reward for ability, at its head office, the eighty branches across Canada, and toward the men who represent the Company to the public. Every opportunity is given, no matter what the branch of the service, for self-improvement and advancement. Courses of study are made available, leading to degrees in Life Underwriting, Actuarial Science and Secretarial Science. In addition, general courses are given in Office Management and Life Insurance Principles and Practice. It is greatly to the credit of the London Life that practically all of its staff are taking or have taken special studies to improve their efficiency for their daily tasks and for the years ahead.

Group life insurance, group sickness and accident insurance, pension funds, recreational and cultural facilities, are permanent features in the Company's policy of promoting the welfare of those who serve it. Annual medical examination and a staff health department are further evidences of its consideration for those in its service. (As proof of the practical value of such a policy, it is interesting to note that during the recent influenza epidemic, when some firms suffered heavily from the inroads made by this malady, only 6% of the London Life head office staff were away at any one time, from influenza and all other causes combined.)

London Life Salesmen Are Competent Advisors

Long imbued with a sense of the importance of the advice given by life underwriters to people contemplating life insurance, the London Life has been foremost in adopting advanced methods of selecting representatives and in thoroughly training those who pass the somewhat exacting tests leading to their acceptance.

These methods are calculated to restrict its sales organization to men particularly fitted for the business and who are determined to make it their career.

As a result, the past five years have witnessed a 30% reduction in the number of London Life sales representatives, with today's selling force a more compact, better-posted, and more highly qualified corps of salesmen, sold on their jobs and sold on their Company. This selected selling force during the past five years has achieved an average production increase of no less than 39% per man.

Office and field employees alike recognize in the London Life a good friend and a good neighbor, consequently personnel morale is high—a condition which is reflected in every department and every activity of this great all-Canadian institution and therefore in the gratifying results attained each year.

So we salute the London Life Insurance Company—on its long and honorable record, on its outstanding progress, its sound policies, capable management and evident realization of its position of trusteeship and, finally, on its willing acceptance of the role of good neighbor and its notable performance therein.

Here is a Company with everything to commend it to those having need of its services.

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No. 14 in a series of studies in corporate citizenship appearing in The Financial Post through co-operation of leading Canadian business institutions.

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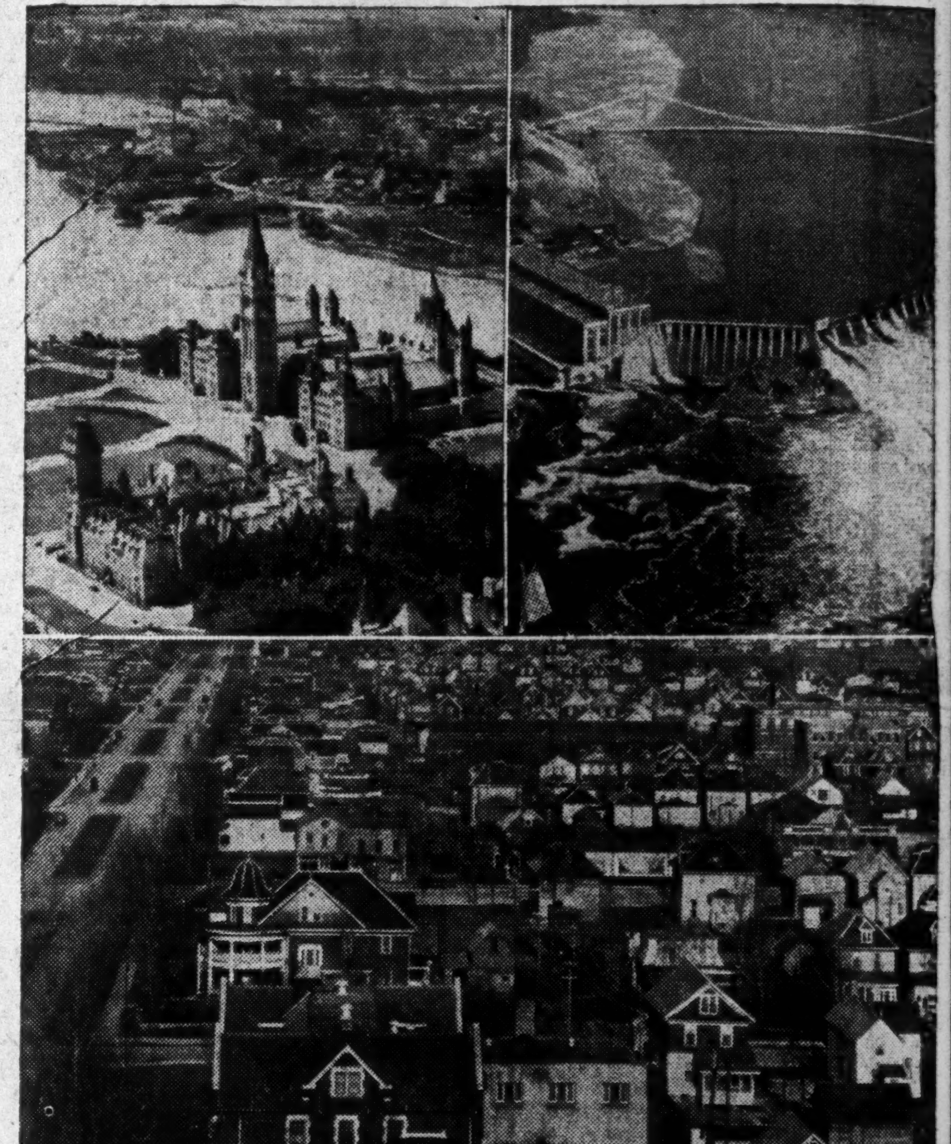
As good neighbor to the holders of more than 700,000 policies, who, with their families, make up a large part of the Dominion's population, the Company is concerned with the hopes and aims of millions, to whom the name of the London Life has become a household word.



These illustrations typify the broad reach of the Company's good neighbor policy as seen in its investments, all of which are concentrated in Canada for the upbuilding of the country.

This entrance to the main vault in the head office building is symbolic of the security and strength of the London Life.

Section of one head office department. Total number of office and field employees, 2,000.

The executive committee of the board of directors meets daily in closest supervision of the Company's affairs. (Left to right, Edward E. Reid, vice-president and managing director; R. H. Reid, executive assistant; J. Edgar Jeffery, K.C., president; Archibald McPherson, director; Lebert H. Jones, director.)

View of present head office building. Plans are now completed for the construction of a large addition in the near future.